

State of Connecticut



John G. Rowland, Governor

Office of Health Care Access

Raymond J. Gorman, Commissioner

Fourth Annual

**Report on the
Financial Status
of
Connecticut's Short-term Acute Care
General Hospitals**

December 1998

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Report on the Financial Status of Connecticut's Short-term Acute Care General Hospitals

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The Fourth Annual Report on the Financial Status of Connecticut's Short Term Acute Care General Hospitals was prepared by the Fiscal Services Team of the State of Connecticut Office of Health Care Access' Certification Unit. The report provides information concerning the financial stability of Connecticut's thirty-two short term acute care general hospitals in a competitive market, as mandated in Section 19a-670 of the Connecticut General Statutes.

The report uses the most recently filed hospital financial and statistical data for hospital fiscal year 1997 (October 1, 1996 to September 30, 1997). It is intended to provide quantitative and qualitative information as well as analytical insights on health policy issues which are important to the State of Connecticut and its citizens.

OHCA produces a variety of publications designed to inform health policy. A list of recent publications appears on the last page of this report. For copies of this or any other OHCA publication, please contact Pat Ferreira at (860) 418-7001.

NEW! OHCA reports and comprehensive agency information are now available on the State of Connecticut website, at <http://www.state.ct.us/ohca/>

Executive Summary

Fiscal year (FY) 1997 brought continuing challenges to Connecticut's acute care hospitals. The recurring themes of managed care growth, technology advances, and increasing operating costs continue to cause hospitals to reevaluate how they operate in the current competitive market. The increasing trend this year is affiliations among hospital systems. Various relationships have grown across the state as hospitals work towards redefining themselves as healthcare delivery systems that offer a wide range of services.

The FY 1997 Report on the Financial Status of Connecticut's Short-term Acute Care General Hospitals provides information on financial results, various health care issues and trends that have affected hospital performance. The hospital profiles contained within this report provide operating results and corporate in-

formation to the state policy makers, hospitals, health care consumers, managed care organizations and the general public. This report provides for each hospital a two-year history using the most recently filed hospital financial and statistical data for hospital fiscal year (FY) 1997 (October 1, 1996 to September 30, 1997) and FY 1996 (October 1, 1995 to September 30, 1996). This report contains two sections that are outlined below.

- **FY 1997 Industry Year in Review** provides an overview of activity for the year and includes a discussion of health care issues, state trends, uncompensated care, the hospital cost index, managed care, and summaries of Certificate of Need authorizations and hospital merger and affiliation activity.

- **Individual Hospital Profiles** present a two-page financial and organizational profile of each of the thirty-two short-term acute care hospitals. The first page summarizes hospital operating results and service areas, while the second page contains a corporate organization chart. The corporate organization charts demonstrate the increasing diversity within health care delivery systems. These charts were produced by the Office of Health Care Access (OHCA) based upon the information filed by each hospital. Please note that the hospitals are presented in alphabetical order in this section.

The statewide summary below highlights FY 1997 utilization and revenue results. Detailed statewide results begin on the next page.

Statewide Summary of Hospital Performance

FY 1997 Capacity & Utilization¹:

- There were thirty-two licensed short-term acute care general hospitals in the state containing 9,500 licensed beds.
- Occupied-staffed beds fell from 5,300 in FY 1996 to 5,100 in FY 1997. This corresponds with the steady increase in outpatient volume, which in FY 1997 represented 32% of total services.
- Total staffed acute care beds declined 19% over the past five years from 9,100 to 7,400.
- The average length of stay has remained consistent for the past two years at 5 days. This indicates a stabilization of length of stay after many years of decline.
- With regard to staffing, hospital full time equivalents remained relatively consistent at 42,500 for this fiscal year.

FY 1997 Statewide Hospital Operating Results

- The Statewide Gain from Operations was \$82 million, down from \$105 million in FY 1996.
- Total Gross Revenue was \$6.1 billion, representing a 3% increase from FY 1996.
- Total Net Revenue was \$3.8 billion in FY 1997, increasing 1% over the FY 1996 level.
- Total Operating Expenses increased 3% over the FY 1996 level to \$3.7 billion.
- Inpatient volume dropped to 68% of total statewide charges for hospital services.
- Government payers remained consistent at 59% of total statewide charges for hospital services.
- The Average Managed Care Discount was 26.5%, 7 points higher than the FY 1996 average.
- Total Uncompensated Care was \$257 million, up from \$251 million in FY 1996. For both FY 1996 and FY 1997 uncompensated care remained constant at 4% of total gross revenue.

¹ Numbers in this section have been rounded to the nearest hundred.



Section I: Fiscal Year 1997 -- Industry Year in Review

The complex issues of today's health care market continue to affect hospital operations in many ways. This section (pages 2 through 9) highlights the issues of the uncompensated care program, the hospital cost index, managed care and Certificate of Need (CON) by providing definitions and statewide operating results. Individual hospital results can be found within the **Individual Hospital Profiles** section, found later in this report.

² **Bad debts** - represents uncollected receivable for services for which the hospital initially expected to receive payment

³ **Charity/free care** - includes services to the indigent provided at either a reduced rate or free of charge.

Hospital Uncompensated Health Care

Uncompensated Care

The statewide uncompensated care reported for FY 1997 was \$257 million. (bad debts² - \$203 million and charity/free care³ - \$54 million). The FY 1996 total uncompensated care level was \$251 million.

The level of hospital uncompensated care is dependent on a variety of variables including community demographics, the availability and level of health care programs offered to the indigent within the community, and the enforcement of hospital collection practices.

Connecticut's Uncompensated Care Program

The current uncompensated care program (UCP), also known as the disproportionate share (DSH) program, protects access to health care for Connecticut's uninsured and underinsured population. Through the DSH program, Connecticut acute care hospitals share the cost of uncompensated care. The additional DSH program Medicaid payments are made to hospitals with a disproportionate share of the uninsured/underinsured population and are designed to help them to remain financially viable.

Connecticut's acute care hospital DSH program works as follows:

- The total UCP costs targeted by the DSH program are bad debt, charity/free care, and Medical Assistance costs that are not reimbursed.
- Both the state and federal governments share in financing the program. The federal Medicaid DSH statute (Social Security Act §1923) allows states broad discretion in determining which hospitals are eligible for DSH and how much each hospital will be paid.
- Connecticut's portion of the DSH program is financed by general fund revenues generated by a 9¼ percent gross earnings tax for the 12-month period ending September 30, 1997. Current Connecticut statutes reduce this rate one percent annually through the year 2000.
- Payments from the DSH program are distributed back to the hospitals on a semi-monthly basis via a Medicaid account that is administered by the Department of Social Services (DSS).
- OHCA has desk review and audit responsibility for the DSH program pursuant to Connecticut General Statutes § 19a-670.

Details of the Uncompensated Care Program and tax adjustments for each of Connecticut's acute care hospitals are shown in the Individual Hospital Profiles within this report.

Industry Year in Review

Hospital Cost Index

The Office of Health Care Access calculates an annual hospital cost index, pursuant to Section 19a-677 of the C.G.S. This index is designed to allow for comparisons between hospitals for costs that are under the hospitals' control. The cost index is calculated by OHCA each summer as part of the annual "hospital net revenue limit" authorization process. It is based upon hospital-reported financial and billing data for the most recently completed and audited fiscal year. The cost index presented within this report was prepared during the FY 1999 hospital net revenue limit process and utilizes FY 1997 audited data.

The cost index was developed to enable a fairer comparison of all the hospitals by removing selected expenses⁴ that are not incurred by every hospital. The calculation also adjusts for "case mix" to account for the severity of patients treated. For example, a hospital which performs a large number of costly open heart surgery cases is likely to incur additional expenses outside its control due to its mix of patients, in comparison to a hospital that has a high percentage of lower cost maternity cases.

⁴ *These expenses include medical education and physician related expenses, labor-related expenses due to the geographic location of the hospital and expenses incurred due to treating a disproportionate share of indigent patients.*

⁵ *For analysis purposes, OHCA classifies hospitals into the following five "peer" groups: Large Urban Hospitals; Medium Urban Hospitals; Small Urban/Large Community Hospitals; Small Community Hospitals; and Other Hospitals.*

The cost index calculation results in an "expected" adjusted cost per inpatient for each hospital that is based upon the statewide average adjusted or "standard" cost per inpatient. A cost index greater than 1.0 means that the hospital's comparable costs for inpatient services are **higher** than the statewide weighted average. A cost index less than 1.0 means that the hospital's comparable costs for inpatient services are **lower** than the statewide average. Factors that may contribute to a change in a hospital's cost index include changes in operating costs that may be attributable to changes in service or staffing patterns, or consolidation of services.

Highlights of the FY 1997 Hospital cost index are summarized below. The actual hospital cost index follows on page 4. Please note that the cost index for the prior year has been included in the index for comparison purposes.

Hospital Cost Index Summary

- There was a substantial shifting in the ranking of hospitals, with only six hospitals maintaining the same rating as last year. Eleven hospitals increased their cost effective ranking and fifteen hospitals decreased their cost effective ranking.
- Eight of the ten *most* cost efficient hospitals in last year's cost index maintained their place in the "top ten" most cost efficient hospitals for this fiscal year.
- Seven of the ten *least* cost efficient hospitals in last year's cost index remained in the "ten least" cost efficient hospital category in this year's ranking.
- One half of the ten least cost efficient hospitals are small urban/large community⁵ hospitals.
- Roughly one third of the hospitals had a cost per inpatient that was lower than the calculated statewide standard cost per inpatient.



TABLE 1: Hospital Cost Index Based on FY 1997 Actual Data ⁶**A MEASURE OF THE COST EFFICIENCY OF HOSPITALS**

Hospital Name	Cost Index	Current Year Rank	Prior Year Rank
The John Dempsey Hospital	0.82	1	12
New Britain General Hospital	0.82	2	1
Saint Mary's Hospital	0.84	3	3
Hartford Hospital	0.86	4	2
Saint Francis Hospital & Medical Center	0.90	5	5
Middlesex Hospital	0.90	6	4
Bridgeport Hospital	0.91	7	6
The Waterbury Hospital	0.95	8	10
Bradley Memorial Hospital & Health Center	0.95	9	9
The Charlotte Hungerford Hospital	0.95	10	14
Saint Vincent's Medical Center	0.99	11	16
Saint Joseph Medical Center	1.01	12	21
Bristol Hospital, Inc.	1.01	13	11
Johnson Memorial Hospital	1.01	14	20
The William W. Backus Hospital	1.02	15	8
The Hospital of Saint Raphael	1.02	16	17
The Danbury Hospital	1.05	17	23
Rockville General Hospital	1.05	18	13
The Stamford Hospital	1.06	19	15
New Milford Hospital	1.07	20	30
Norwalk Hospital	1.09	21	29
Yale-New Haven Hospital	1.10	22	18
Windham Community Memorial Hospital	1.11	23	7
Veterans Memorial Medical Center	1.12	24	24
Day Kimball Hospital	1.13	25	19
Lawrence & Memorial Hospital	1.14	26	22
Sharon Hospital, Inc	1.17	27	28
The Greenwich Hospital Association	1.20	28	25
Manchester Memorial Hospital	1.21	29	26
Milford Hospital	1.21	30	27
The Griffin Hospital	1.23	31	31
Connecticut Children's Medical Center	1.36	32	32

↑
MOST COST
EFFECTIVE
HOSPITALS

↓
LEAST COST
EFFECTIVE
HOSPITALS

⁶ This Hospital Cost Index was used for FY 1999 Net Revenue limit purposes.

Industry Year in Review

Certificate of Need (CON)

The Certificate of Need (CON) Program serves as a formal statement that a health care facility, medical equipment purchase, new medical service, or change in ownership or control is needed. It can also state that a reduction or termination in service will not have an adverse effect on health care access.

CON requests are reviewed by OHCA according to statutory principles and guidelines in order to ensure that appropriate accessibility to quality services, proper planning, and good management principles are maintained, while duplication of technology and unneeded capacity are reduced. Although the program addresses both hospital and non-hospital based health care services, the statistics and analysis presented in this report are only those associated with the Connecticut acute care general hospitals and their related entities.

Traditionally, the CON program has been used as a regulatory tool used to limit expansion of unnecessary technology and duplicative hospital and non-hospital health care services and programs. The process also was used to preserve or increase access by preventing the elimination of needed facilities and services. However, changes in the health care environment have modified the role and focus of the CON function, making the previous gatekeeper role less significant.

The CON program in Connecticut is in a state of transition from the traditional role as a regulatory tool to one that is more proactive and responsive to the current environment. CON can now be used as a way of implementing health care policy. It can be a planning tool in addition to providing cost containment. Finally, CON will continue to provide protection to both consumers and payers.

During FY 1997, authorization was given for 57 CON projects related to acute care general hospitals. These projects represented \$103.4 million in capital expenditures approved for the acute care hospitals.

The CON program also affects hospital net revenue limit authorizations. A hospital's net revenue limit authorization may be adjusted per statute to reflect changes in operating expenses due to the acquisition of new technology or the implementation of additional programs and services under a hospital's CON authorization. For FY 1997, \$95.6 million in hospital CON expenses were recognized by OHCA in the acute care hospitals' net revenue limits authorized.

The details of these authorizations are discussed on the next page.

Industry Year in Review

FY 1997 Acute Care General Hospital CON-Approved Capital Expenditures

The number of authorized CON applications in FY 1997 doubled from the FY 1996 authorizations, while the related approved costs increased 22%. Specifically, OHCA authorized 57 acute care hospital-based CON applications at a capital cost of \$103 million, as compared to 28 CON applications at a capital cost of \$85 million in the previous fiscal year. Major increases were in the areas of management information systems, mergers and acquisitions, and new/expanded services. These increases reflect the changes that hospitals are making to remain competitive in the current health care market. Further details of the FY 1997 approved CON capital expenditures are highlighted in Table 2.

CON Operating Expenses Recognized in FY 1997 Hospital Net Revenue Limit Authorizations

Authorized CON projects often have operating cost implications for hospital budgets. These costs are recognized as adjustments to the annual net revenue limits authorized by OHCA in the fiscal year that the project is implemented. Recognition of CON related operating costs generally occur a year or two after the CON authorization is granted, when the CON project is implemented. The FY 1997 hospital budget authorizations contained adjustments to the net revenue limits for \$95.6 million in total operating expenses related to the implementation of 14 new and/or modified CON projects.⁸

The major expense categories were in the areas of mergers and acquisitions at \$81 million, and facility renovation projects at \$20 million.

TABLE 2: CON Hospital authorizations from FY 1995 to FY 1997
(Costs in thousands)

CONs Approved (by Category)	Approved FY97 # Cost	Approved FY96 # Cost	Approved FY95 # Cost
Renovations/New Construction	6 \$14,272	6 \$54,398	7 \$238,190
Imaging/Major Medical Equipment	6 6,644	3 4,316	9 15,242
Other Equipment ⁷	3 27,034	3 24,688	5 29,008
Mergers & Acquisitions	3 12,794	3 513	4 3,210
New/Expanded Service	22 31,864	6 285	6 246
Modifications	17 10,796	7 609	7 (5,886)
Grand Total	57 \$103,404	28 \$84,809	38 \$280,010

These operating expenses are incremental over prior year operating expenses. Details of significant projects included in these categories are highlighted below:

Significant Certificate of Need Operating Expenses Recognized in FY 1997 Hospital Net Revenue Limit Authorizations:

- \$77 million was added to the St. Francis Medical Center's expense base for its merger with Mount Sinai Hospital. St. Francis also had \$7 million added to the expense base for hospital building renovations.
- \$40 million in expenses were recognized for the Connecticut Children's Medical Center building project.
- Hartford Hospital and John Dempsey Hospital reduced their expense bases by \$21 million and \$9 million respectively, for pediatric services that

were relocated to the Connecticut Children's Medical Center.

- The removal of outpatient renal dialysis services resulted in expense base reductions of \$5 million for The Hospital of St. Raphael, and \$3 million for St. Mary's Hospital.
- New Britain General Hospital had an expense base addition of \$3 million for hospital building renovations.
- Middlesex Hospital added \$3 million to its base for expenses relating to the merger of the home care agency into the hospital.

⁷ Includes MIS upgrade and/or replacement projects.

⁸ Source: FY 1997 OHCA Hospital Net Revenue Limit Schedules CON, UNB & DET.

Significant CON Projects Authorized in FY 1997

Acquisitions, Affiliations and Joint Projects

The number of affiliations, acquisitions, and joint projects between hospitals, hospital affiliates and various health care facilities are increasing as providers of health care work towards offering a wide range of cost effective, quality services. The Affiliations of Connecticut Acute Care Hospitals map on page 9 illustrates the affiliations and mergers among Connecticut's 32 Acute Care Hospitals as of September 30, 1997.

The summary below discusses the projects approved during FY 1997. Details on these projects are provided in the Individual Hospital Profile section.

Joint Projects and Affiliations:

- Shared ownership of St. Joseph Medical Center between Stamford Hospital (at a cost of \$5.9 million) and St. Vincent's Medical Center (at a cost of \$6.1 million).⁹
- Joint Radiation Oncology project with Rockville General, Johnson Memorial, Manchester Memorial, Hartford Hospitals and Johnson Memorial Corporation. Total project cost was \$6.5 million.
- Joint venture between St. Francis Hospital and Medical Center and Charlotte Hungerford Hospital to provide ambulatory care and emergency services at the former site of Winsted Memorial Hospital at a cost of \$1.9 million.

- Establishment of a joint outpatient dialysis clinic in Bristol between New Britain General and Bristol Hospitals and Bio-Medical Applications, Inc. for a total cost of \$673,040.
- An alliance of Hartford Hospital's parent corporation (Hartford Health Care Corporation) with the University of Connecticut Health Center in Farmington, to integrate clinical, academic, and research programs between these two facilities.
- Affiliation of St. Francis Hospital and Medical Center and Greater Bristol Health Services Corporation (Bristol Hospital parent) to develop an integrated health care delivery system.
- Affiliation committee with St. Mary's Hospital and St. Francis Hospital and Medical Center for purposes of further development of an affiliation, identifying potential joint activities and pursuing a system partnership.

Acquisitions:

- The Center for Continuing Care of Greater Stamford acquired full ownership of a continuing care retirement community from Marriott Corporation, and will add an Assisted Living Service Agency for a total cost of \$83 million.
- St. Francis Medical Center affiliate, Blue Ridge Health Services, acquired Elmcrest Psychiatric Institute of Portland for \$18 million.
- Stamford Health Services, Inc. acquired a limited interest in the Stamford Surgery Center for under \$1 million.
- St. Vincent's Medical Center acquired three walk-in medical facilities for \$794,000.

Management Information Systems

Upgrades and replacements to existing management information systems (MIS) continue to be major capital expenditures for hospitals as they plan for the recording of patient, financial, and utilization data into the next century. Four new projects and two cost overruns for previously approved projects resulted in \$79.5 million in approved costs. Project details include:

- Yale-New Haven Health Service Corporation¹⁰ - \$48 million MIS upgrade for system providers including Bridgeport Hospital
- St. Mary's Hospital - \$14 million MIS upgrade and replacement
- Waterbury Hospital - \$11.5 million MIS replacement
- New Milford Hospital - \$1.6 million MIS upgrade
- St. Raphael Hospital - \$3.7 million cost overrun on a previously approved MIS project
- Greenwich Hospital - \$680,000 increase in the previously authorized cost of the MIS project.

New/Expanded Services

New and expanded services continue to be a focal point as hospitals continue to market their services in a highly competitive environment. Some of the major expenditures for new services include:

- William W. Backus Hospital to establish radiation therapy services and construct an ambulatory care building for \$18 million.
- New Milford Hospital to establish radiation therapy services with building renovations for \$4.8 million.
- Yale-New Haven Hospital to acquire a third cardiac catheterization lab for \$3.5 million.

⁹ In November 1998, OHCA approved the change of ownership and control of St. Joseph Medical Center from St. Vincent's Medical Center and Stamford Health Systems entirely to Stamford Health Systems.

¹⁰ This \$48 million project was authorized for the Parent Corporation of Yale-New Haven and Bridgeport Hospitals and is not reflected in the totals reported for hospital authorizations contained in the table on page 6.

Industry Year in Review

Managed Care

The influence of managed care on hospital operations continues to be strong, as hospitals rely heavily on the volume associated with negotiated contracts. Hospitals negotiate contracts with a variety of payers to provide a continual growth in the volume of patients that they are serving.

The number of Connecticut HMO enrollees were 1.2 million at September 30, 1997 compared to 1.0 million at September 30, 1996¹¹.

The competition among hospitals and other health care providers to retain and recruit HMO business will escalate as statewide enrollment continues to grow. With the introduction of government managed care plans in recent years, hospitals are experiencing reductions in an area that funds over one-half of their operations.

The total number of managed care contracts that hospitals are negotiating continues to increase, along with the average discount negotiated, which was 26.5% in FY 1997, up from 19.7% in FY 1996.

As indicated in Table 3 above, the statewide increase in the average discount exceeds the increase in the related revenue, which translates to a lower profit margin for the hospitals.

Government Managed Care:

During FY 1997, government revenue was 59% of total hospital charges. As enrollment in government managed care programs rapidly increase, hospitals are beginning to experience severe reductions in the reimbursement levels that they rely heavily on to fund operations.

TABLE 3: Managed Care Discounts

Description	FY 1997	FY 1996
Revenue Associated with Managed Care Discounts:	\$2,028,102,318	\$1,936,292,776
Average Managed Care Discount	26.5%	19.7%

TABLE 4: Government Managed Care

Description	FY 1997	FY 1996
Total Medicaid and Medical Assistance Gross Revenue	\$760 million	\$787 million
Total Medicaid Managed Care Gross Revenue	\$274 million	\$143 million
Percentage of Medicaid Managed Care to total Gross Revenue	36%	18%
Total Medicare Gross Revenue	\$2.9 billion	\$2.7 billion
Total Medicare Managed Care ¹³	\$83 million	////////

Connecticut's Medicaid Managed Care Program¹² is well established with all of the hospitals reporting FY 1997 revenues and discounts associated with the program. The State's Medicare Managed Care Program has had a slower start in Connecticut with FY 1997

being the first year in which most hospitals are reporting significant revenues and discounts related to the program. Table 4 summarizes the growth in these government managed care programs.

¹¹ HMO enrollment statistics are per Connecticut Department of Insurance.

¹² Participating health plans commenced enrolling Medicaid members on August 1, 1995

¹³ The FY 1996 amount was minimal as only two HMO's administered Medicare Managed Care plans in Connecticut prior to FY 1997. Activity increased during FY 1997 with a total of five Medicare Managed Care Plans. -- Source: Health Care Financing Administration (HCFA) Monthly Report Medicare Managed Care Plans.

Affiliations of Connecticut For Fiscal Year



Section II: Individual Hospital Profiles

The next section of this report presents individual hospital profiles for each of Connecticut's Acute Care General Hospitals.

Every hospital is represented with a two-page financial and organizational profile. The first page of each profile summarizes hospital operating results and service areas. The second page presents the hospital's corporate organization chart, compiled using the organizational chart submitted by the hospital in its annual filing to OHCA

ABOUT THE WILLIAM W. BACKUS HOSPITAL

For the fiscal year ending September 30, 1997 (FY 1997), **The William W. Backus Hospital**, located in Norwich, staffed 176 of its 233 licensed beds. In addition to the Town of Norwich, the Hospital primarily serves the towns of Preston, Griswold, Lisbon, Ledyard and Montville.

Income Statement	FY 1997 Actual Results	FY 1996 Actual Results
Net Revenue	\$96,635,923	\$87,393,038
UCP/Tax Adjustments	(\$3,161,995)	(\$2,500,693)
Other Operating Revenue	\$189,947	\$250,659
Total Operating Expenses	<u>\$89,268,619</u>	<u>\$81,699,225</u>
Gain/(Loss) from Operations	\$4,395,256	\$3,443,779
Non-Operating Revenue	\$1,831,218	\$1,221,260

	Operating Results	FY 1997 Actual Results	FY Actual
Charges:	Total Gross Revenue (G/R)	\$158,167,678	\$139
	Percentage of G/R relating to Inpatient Volume	57.5%	
	Percentage of G/R relating to Government Payers	56.9%	
Managed Care:	Revenue Associated w / Mgd Care Discounts	\$50,291,777	\$42
	Average Managed Care Discount	21%	
Uncompensated Care:	Bad Debt and Free Care	\$6,101,943	\$7
Profitability:	Net Operating Margin	4.6%	
Volume:	Staffed Bed Occupancy	126	
	Average Length of Stay (days)	4.3	
Staffing:	Full Time Equivalents	1014	
Cost Efficiency:	Cost Index Rating	15	
	1 = Most Cost Effective Hospital		
	32 = Least Cost Effective Hospital		

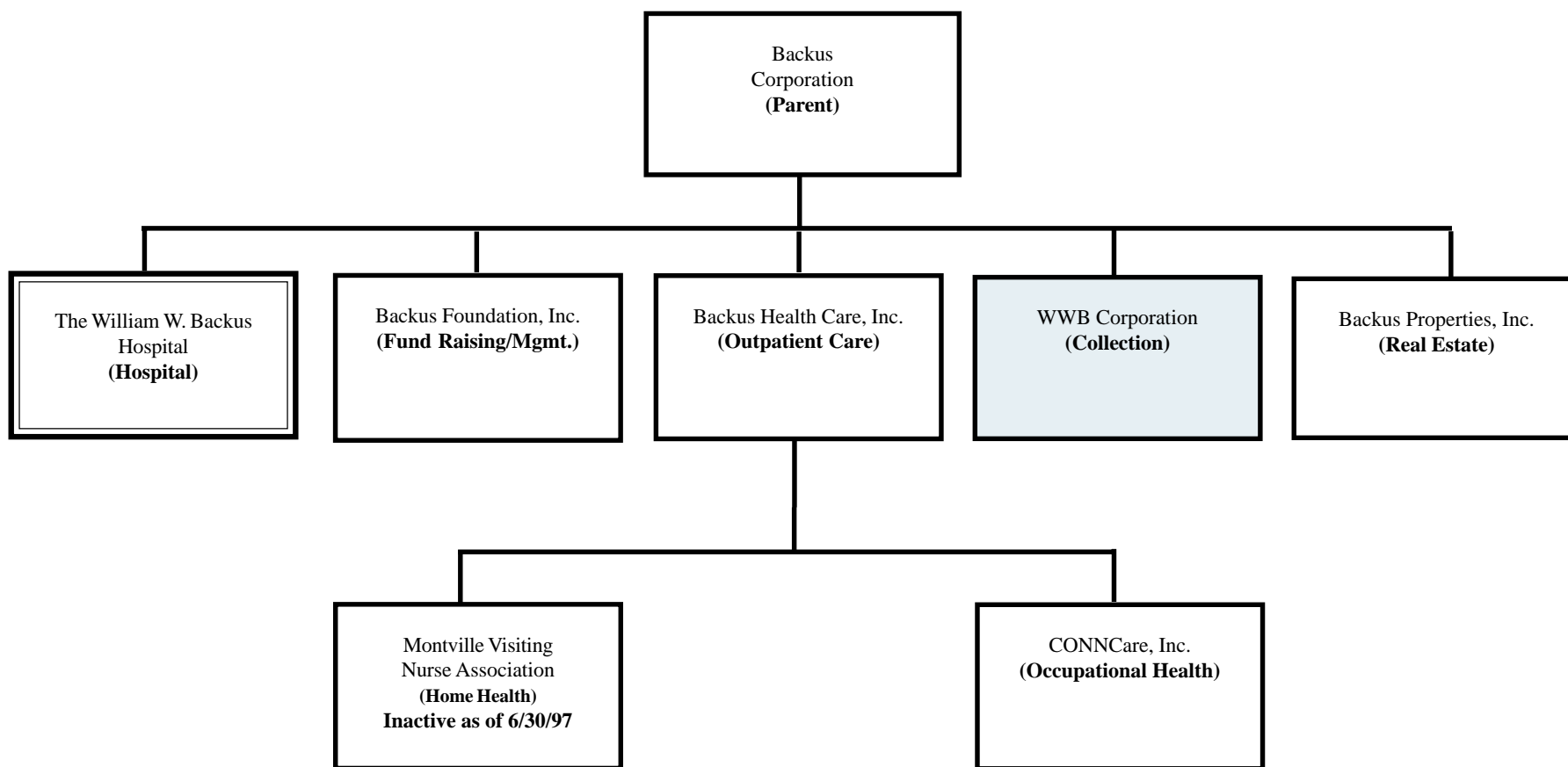
Hospital FY 1997 Activities Approved, Denied or Modified by OHCA

Approved establishment of a new radiation therapy service and construction of a new ambulatory care building for a total cost of \$18 million.

The William W. Backus Hospital

CORPORATE ORGANIZATION CHART*

The William W. Backus Hospital



*Shaded area represents "FOR-PROFIT" entity

Please note that this organizational chart was compiled using the organizational chart submitted by the hospital in its annual filing to OHCA



ABOUT BRADLEY MEMORIAL HOSPITAL

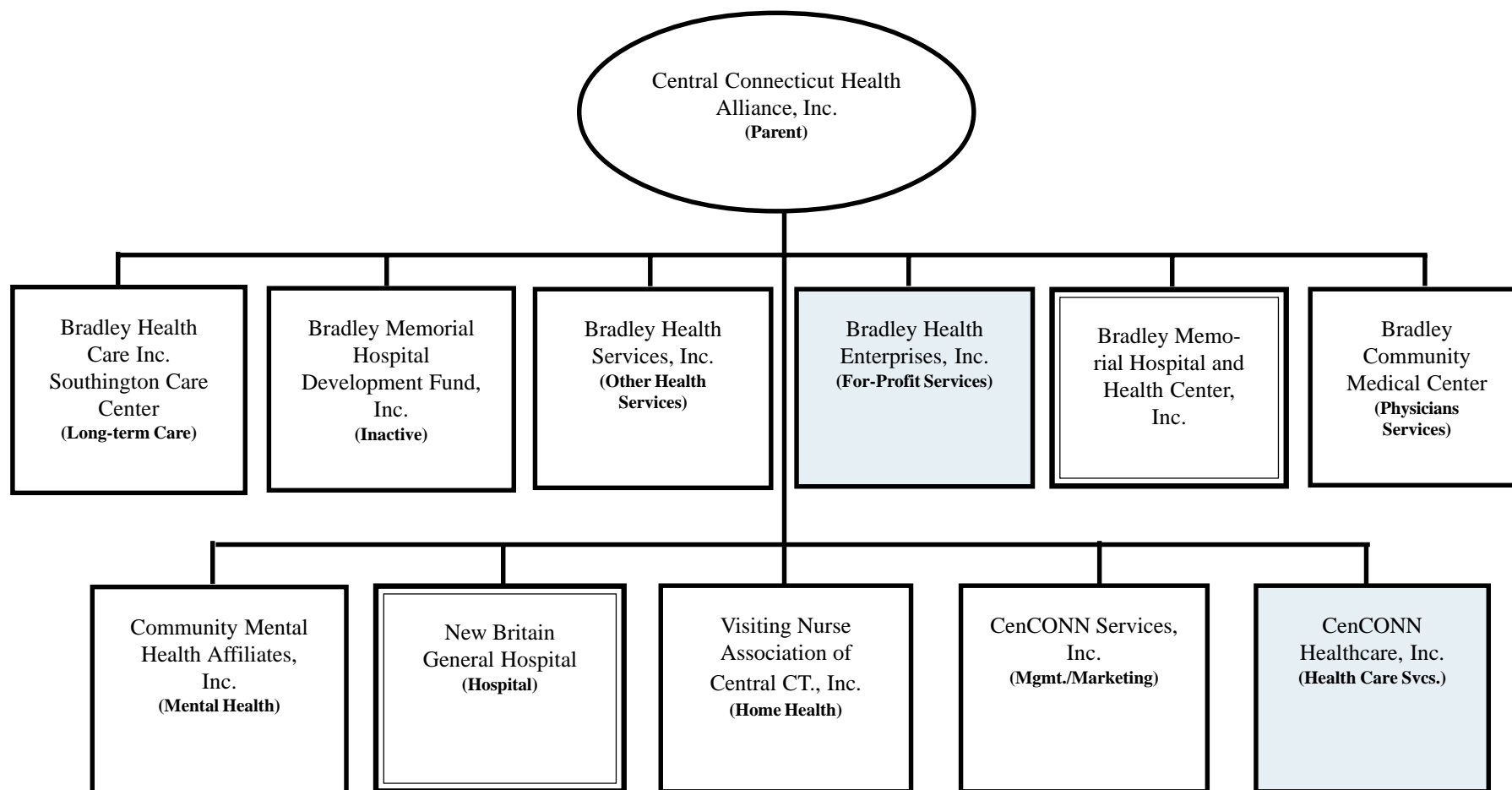
For the fiscal year ending September 30, 1997 (FY 1997), **Bradley Memorial Hospital**, located in Southington, staffed 76 of its 84 licensed beds. The Hospital primarily serves the Town of Southington.

Income Statement	FY 1997 Actual Results	FY 1996 Actual Results
Net Revenue	\$25,465,030	\$24,827,691
UCP/Tax Adjustments	(\$981,890)	(\$622,176)
Other Operating Revenue	\$217,248	\$222,494
Total Operating Expenses	<u>\$24,482,136</u>	<u>\$25,020,694</u>
Gain/(Loss) from Operations	\$218,252	(\$592,684)
Non-Operating Revenue	\$2,367,390	\$729,581

	Operating Results	FY 1997 Actual Results	FY Actual
Charges:	Total Gross Revenue (G/R)	\$41,339,023	\$39
	Percentage of G/R relating to Inpatient Volume	61.5%	
	Percentage of G/R relating to Government Payers	63.7%	
Managed Care:	Revenue Associated w/ Mgd Care Discounts	\$11,709,175	\$12
	Average Managed Care Discount	28%	
Uncompensated Care:	Bad Debt and Free Care	\$1,078,276	\$
Profitability:	Net Operating Margin	0.8%	
Volume:	Staffed Bed Occupancy	38	
	Average Length of Stay (days)	5.4	
Staffing:	Full Time Equivalents	290	
Cost Efficiency:	Cost Index Rating	9	
	1 = Most Cost Effective Hospital		
	32 = Least Cost Effective Hospital		

Bradley Memorial Hospital and Health Center

CORPORATE ORGANIZATION CHART* Bradley Memorial Hospital & New Britain General Hospital



*Shaded areas represent "FOR-PROFIT" entities

Please note that this organizational chart was compiled using the organizational chart submitted by the hospital in its annual filing to OHCA



ABOUT BRIDGEPORT HOSPITAL

For the fiscal year ending September 30, 1997 (FY 1997), **Bridgeport Hospital**, located in Bridgeport, staffed 351 of its 425 licensed beds. In addition to the Town of Bridgeport, the Hospital primarily serves the towns of Stratford, Fairfield, Trumbull, Shelton, Milford and Monroe.

Income Statement

	FY 1997 Actual Results	FY 1996 Actual Results
Net Revenue	\$174,070,741	\$169,326,166
UCP/Tax Adjustments	\$4,008,111	\$2,522,226
Other Operating Revenue	\$948,344	\$984,271
Total Operating Expenses	<u>\$175,988,830</u>	<u>\$169,434,564</u>
Gain/(Loss) from Operations	\$3,038,366	\$3,398,099
Non-Operating Revenue	\$3,535,548	\$3,675,802

Operating Results		FY 1997 Actual Results	FY Actual
Charges:	Total Gross Revenue (G/R)	\$292,111,384	\$265
	Percentage of G/R relating to Inpatient Volume	74.3%	
	Percentage of G/R relating to Government Payers	62.7%	
Managed Care:	Revenue Associated w / Mgd Care Discounts	\$87,643,578	\$80
	Average Managed Care Discount	35%	
Uncompensated Care:	Bad Debt and Free Care	\$8,285,639	\$8
Profitability:	Net Operating Margin	1.7%	
Volume:	Staffed Bed Occupancy	271	
	Average Length of Stay (days)	5.2	
Staffing:	Full Time Equivalents	1672	
Cost Efficiency:	Cost Index Rating	7	
	1 = Most Cost Effective Hospital		
	32 = Least Cost Effective Hospital		

Hospital FY 1997 Activities Approved, Denied or Modified by OHCA

- Approved replacement of an interventional radiology suite at a cost of \$1.1 million.
- Modified the previously approved Master Facility Plan project relating to the reconfiguration of construction specifications for an additional cost of \$450,000.
- Approved establishment of a new outpatient Ob/Gyn and Primary Care satellite clinic for \$200,000.
- Approved change in delivery of Burn Services at the Hospital and Yale-New Haven Hospital at no capital cost.

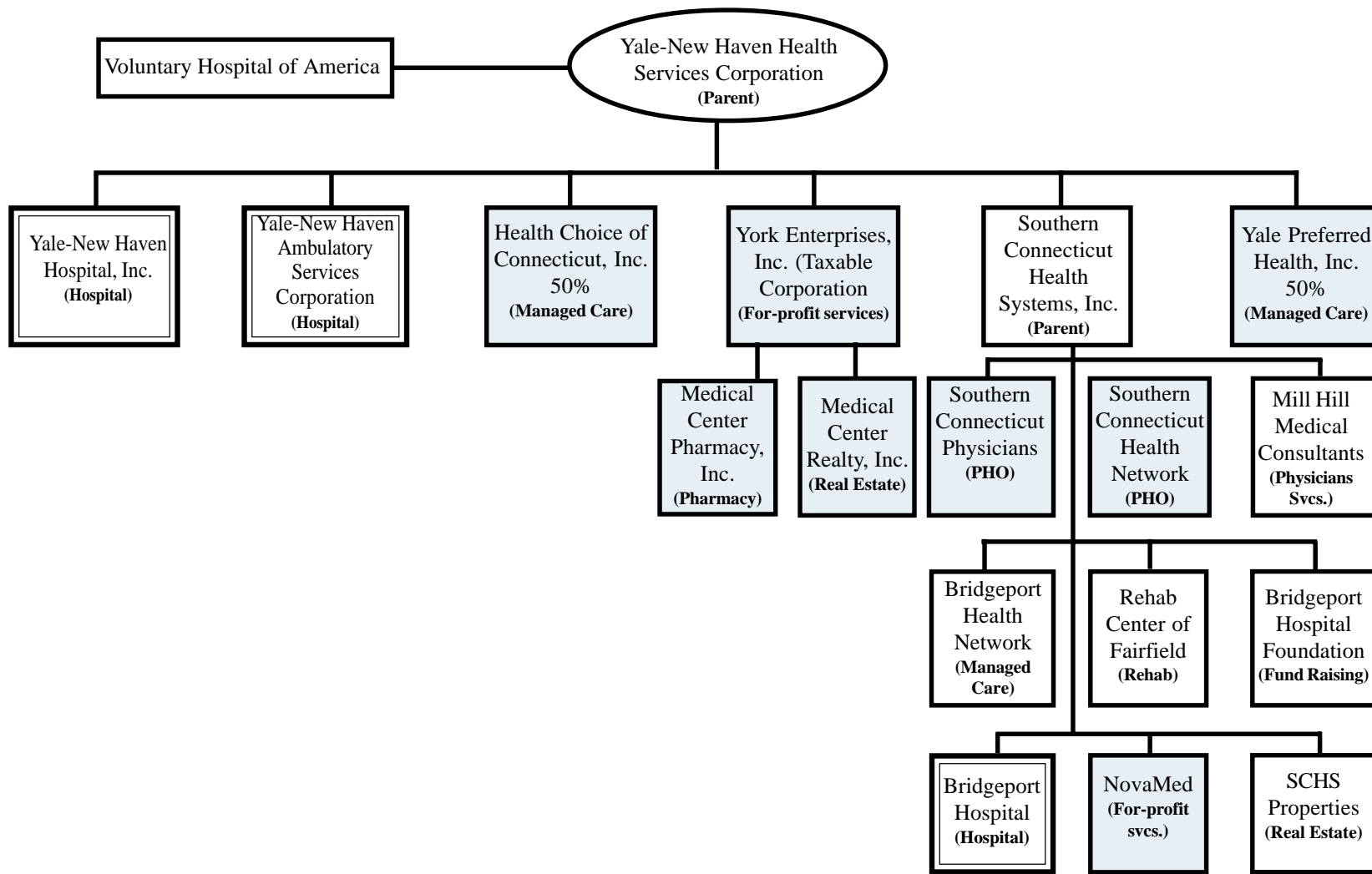
Hospital Affiliate FY 1997 Activities Approved, Denied or Modified by OHCA

Approved Management Information Systems (MIS) upgrade project for system providers, including Yale-New Haven Hospital, at a capital cost of \$48,000,000.

Bridgeport Hospital

CORPORATE ORGANIZATION CHART*

Yale-New Haven Hospital & Bridgeport Hospital



*Shaded areas represent "FOR-PROFIT" entities

Please note that this organizational chart was compiled using the organizational chart submitted by the hospital in its annual filing to OHCA

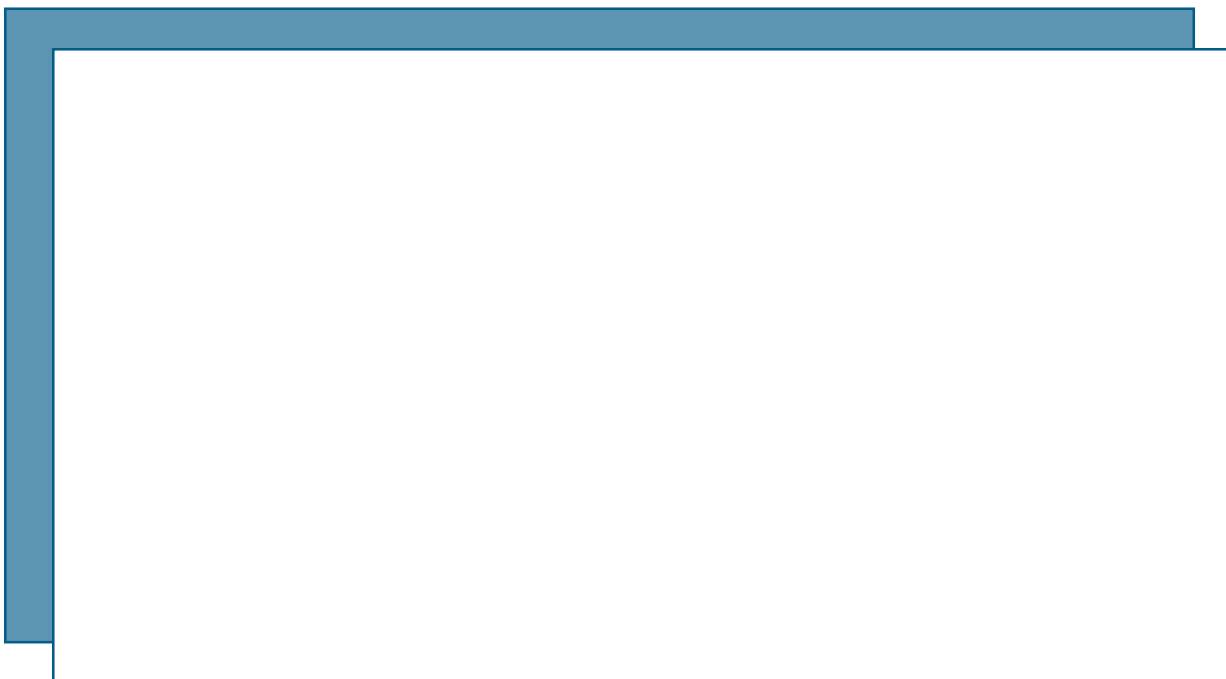


ABOUT BRISTOL HOSPITAL

For the fiscal year ending September 30, 1997 (FY 1997), **Bristol Hospital**, located in Bristol, staffed 145 of its 172 licensed beds. In addition to the Town of Bristol, the Hospital primarily serves the towns of Plymouth and Plainville.

Income Statement

	FY 1997 Actual Results	FY 1996 Actual Results
Net Revenue	\$66,927,797	\$68,884,313
UCP/Tax Adjustments	\$84,988	(\$1,240,647)
Other Operating Revenue	\$0	\$0
Total Operating Expenses	\$67,540,964	\$65,629,038
Gain/(Loss) from Operations	(\$528,179)	\$2,014,628
Non-Operating Revenue	\$4,587,414	\$3,207,629



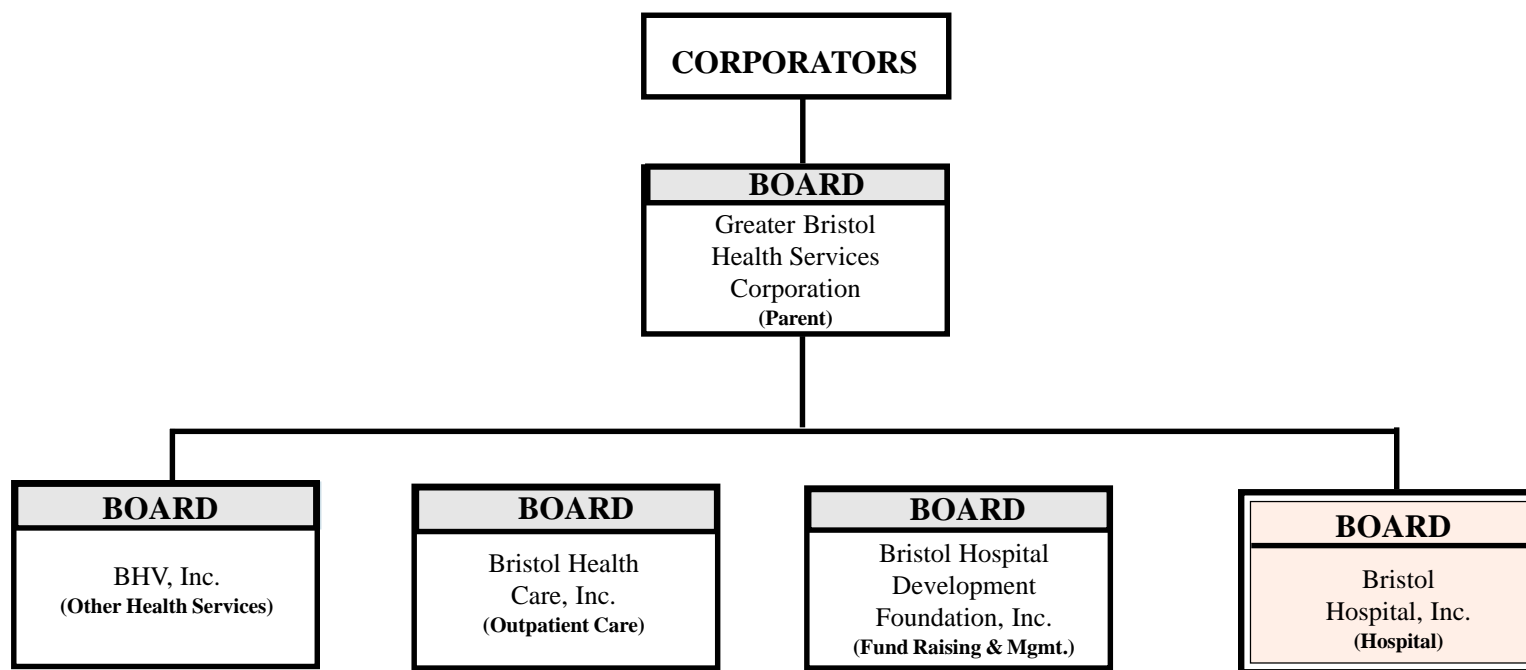
Hospital FY 1997 Activities Approved, Denied or Modified by OHCA

- Approved establishment of an outpatient dialysis clinic in Bristol jointly with New Britain General Hospital and Bio-Medical Applications, Inc. at a cost to the Hospital of \$336,520.
- Approved reconfigurations to the Hospital's satellite substance abuse services programs for \$10,000.

Hospital Affiliate FY 1997 Activities Approved, Denied or Modified by OHCA

Approved establishment of an Affiliation Corporation with St. Francis Hospital and Medical Center and Greater Bristol Health Services Corporation (Bristol Hospital's parent corporation) to develop an integrated health care delivery system. This agreement did not include transfer of ownership or control for either hospital.

CORPORATE ORGANIZATION CHART*
Bristol Hospital



*Shaded areas represent “FOR-PROFIT” entities

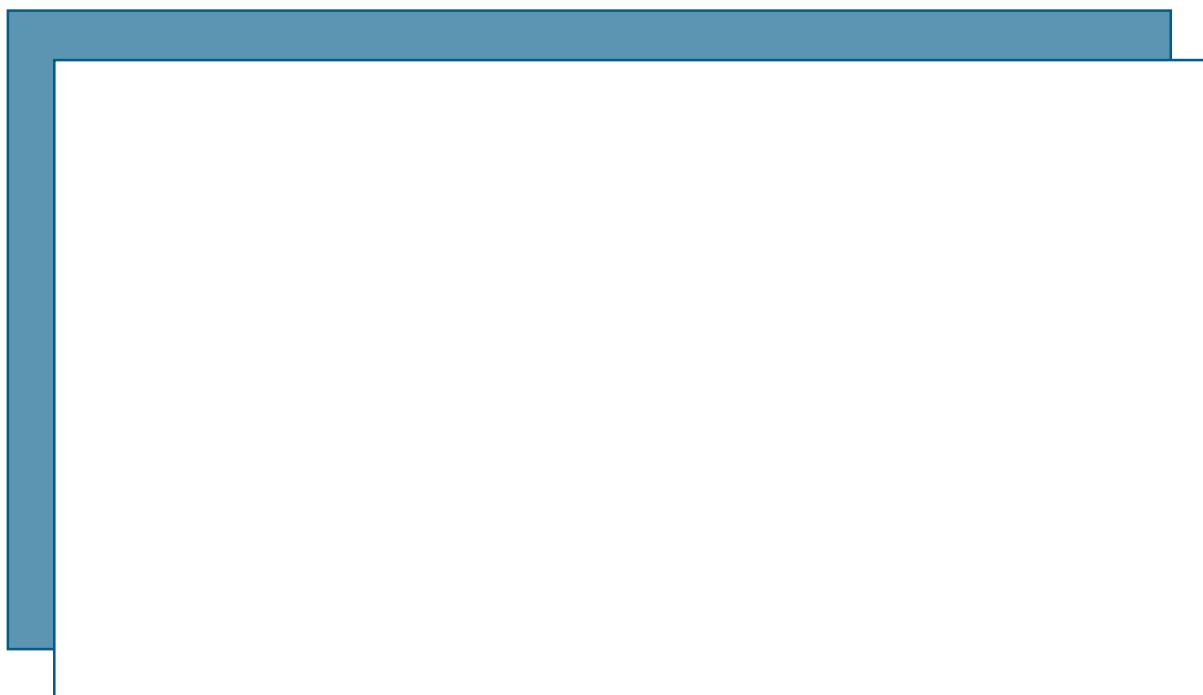
Please note that this organizational chart was compiled using the organizational chart submitted by the hospital in its annual filing to OHCA

ABOUT THE CONNECTICUT CHILDREN'S MEDICAL CENTER

For the fiscal year ending September 30, 1997 (FY 1997), **Connecticut Children's Medical Center**, located in Hartford, staffed all of its 123 licensed beds. FY 1997 was the first full year of operation of the new medical center. The Center is a statewide referral site for the provision of children's health care services.

Income Statement	FY 1997	FY 1996
	Actual Results	Actual Results
Net Revenue	\$46,614,221	\$35,186,861
UCP/Tax Adjustments*	\$731,501	(\$1,757,783)
Other Operating Revenue	\$0	\$0
Total Operating Expenses	\$67,224,648	\$47,293,156
Gain/(Loss) from Operations	(\$19,878,926)	(\$13,864,078)
Non-Operating Revenue	\$132,917	\$3,072,972

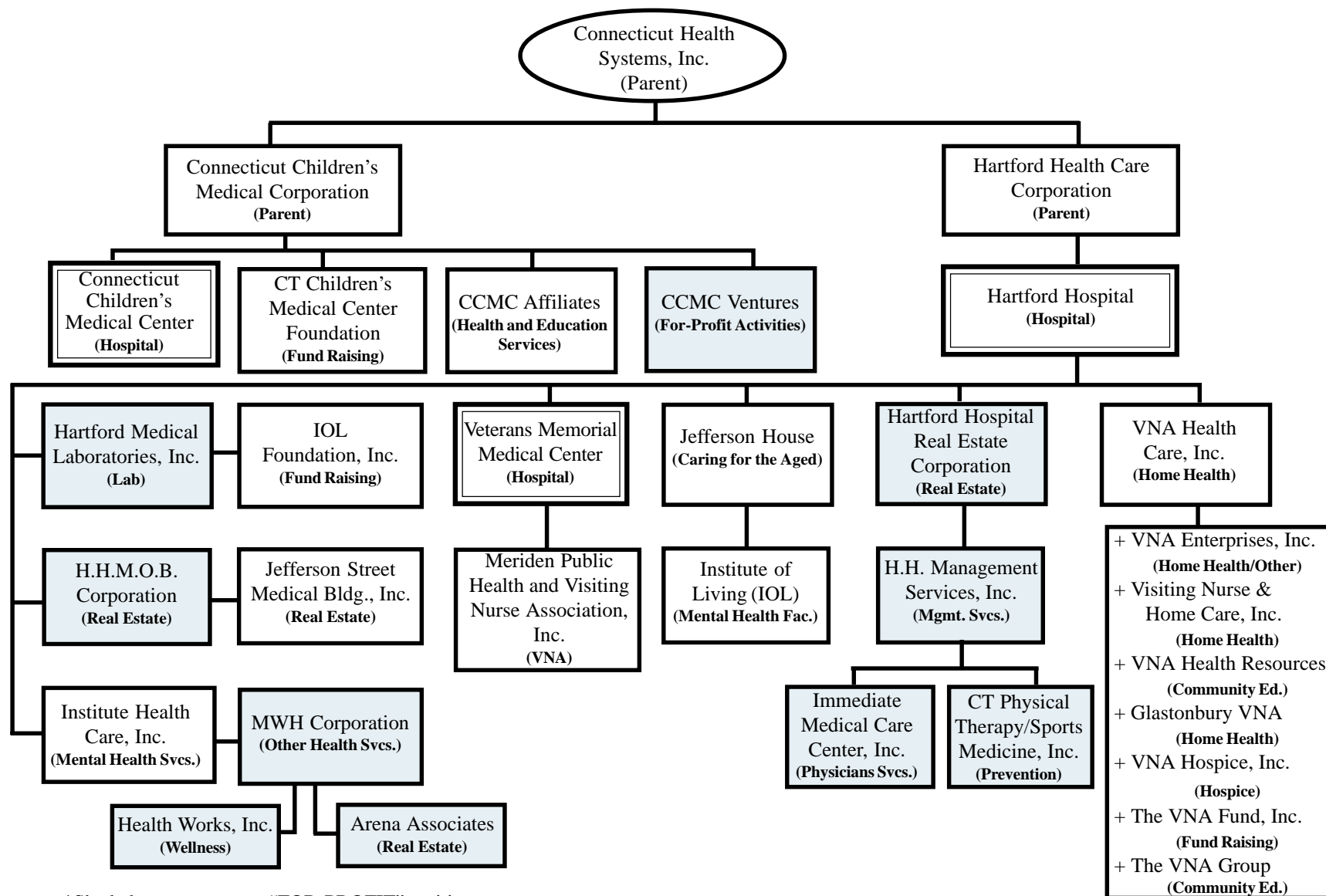
*As of October 1, 1997, Connecticut Children's Medical Center was excluded from the GET and DSH programs by virtue of a waiver.



Connecticut Children's Medical Center

CORPORATE ORGANIZATION CHART*

Hartford Hospital, Connecticut Children's Medical Center & Veterans Memorial Medical Center



*Shaded areas represent "FOR-PROFIT" entities

Please note that this organizational chart was compiled using the organizational chart submitted by the hospital in its annual filing to OHCA



ABOUT DANBURY HOSPITAL

For the fiscal year ending September 30, 1997 (FY 1997), **Danbury Hospital**, located in Danbury, staffed 190 of its 371 licensed beds. In addition to the Town of Danbury, the Hospital primarily serves the towns of Bethel, Newtown, Ridgefield, Brookfield and New Fairfield.

Income Statement

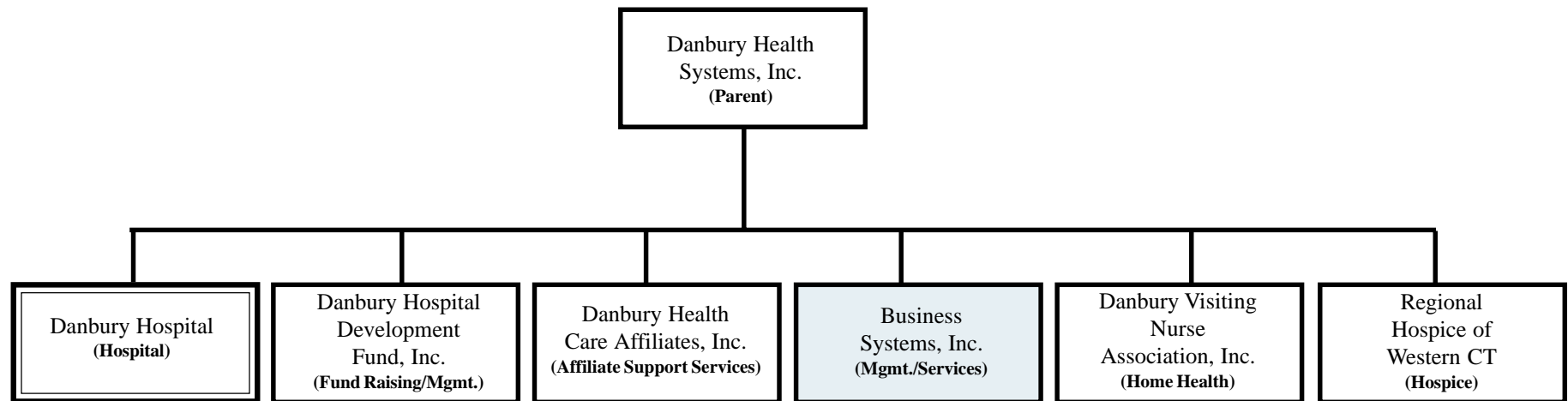
	FY 1997 Actual Results	FY 1996 Actual Results
Net Revenue	\$165,790,105	\$168,416,689
UCP/Tax Adjustments	(\$3,006,446)	(\$5,037,759)
Other Operating Revenue	\$0	\$0
Total Operating Expenses	\$159,462,074	\$162,437,371
Gain/(Loss) from Operations	\$3,321,585	\$941,559
Non-Operating Revenue	\$5,167,921	\$4,082,035

	Operating Results	FY 1997 Actual Results	FY Actual
Charges:	Total Gross Revenue (G/R)	\$269,140,165	\$272
	Percentage of G/R relating to Inpatient Volume	64.5%	
	Percentage of G/R relating to Government Payers	52.5%	
Managed Care:	Revenue Associated w / Mgd Care Discounts	\$115,104,389	\$110
	Average Managed Care Discount	17%	
Uncompensated Care:	Bad Debt and Free Care	\$16,198,687	\$18
Profitability:	Net Operating Margin	2.0%	
Volume:	Staffed Bed Occupancy	194	
	Average Length of Stay (days)	4.5	
Staffing:	Full Time Equivalents	1757	
Cost Efficiency:	Cost Index Rating	17	
	1 = Most Cost Effective Hospital		
	32 = Least Cost Effective Hospital		

Hospital FY 1997 Activities Approved, Denied or Modified by OHCA

- Approved relocation of the Pediatric Health Center.
- Approved establishment of outpatient home intravenous therapy service.
- Approved establishment of a mobile outreach van in joint venture with the city of Danbury.

CORPORATE ORGANIZATION CHART*
Danbury Health Systems



*Shaded areas represent "FOR-PROFIT" entities

Please note that this organizational chart was compiled using the organizational chart submitted by the hospital in its annual filing to OHCA

ABOUT DAY KIMBALL HOSPITAL

For the fiscal year ending September 30, 1997 (FY 1997), **Day Kimball Hospital**, located in Putnam, staffed 101 of its 166 licensed beds. In addition to the Town of Putnam, the Hospital primarily serves the towns of Killingly, Plainfield, Thompson, Woodstock, Brooklyn and Pomfret.

Income Statement

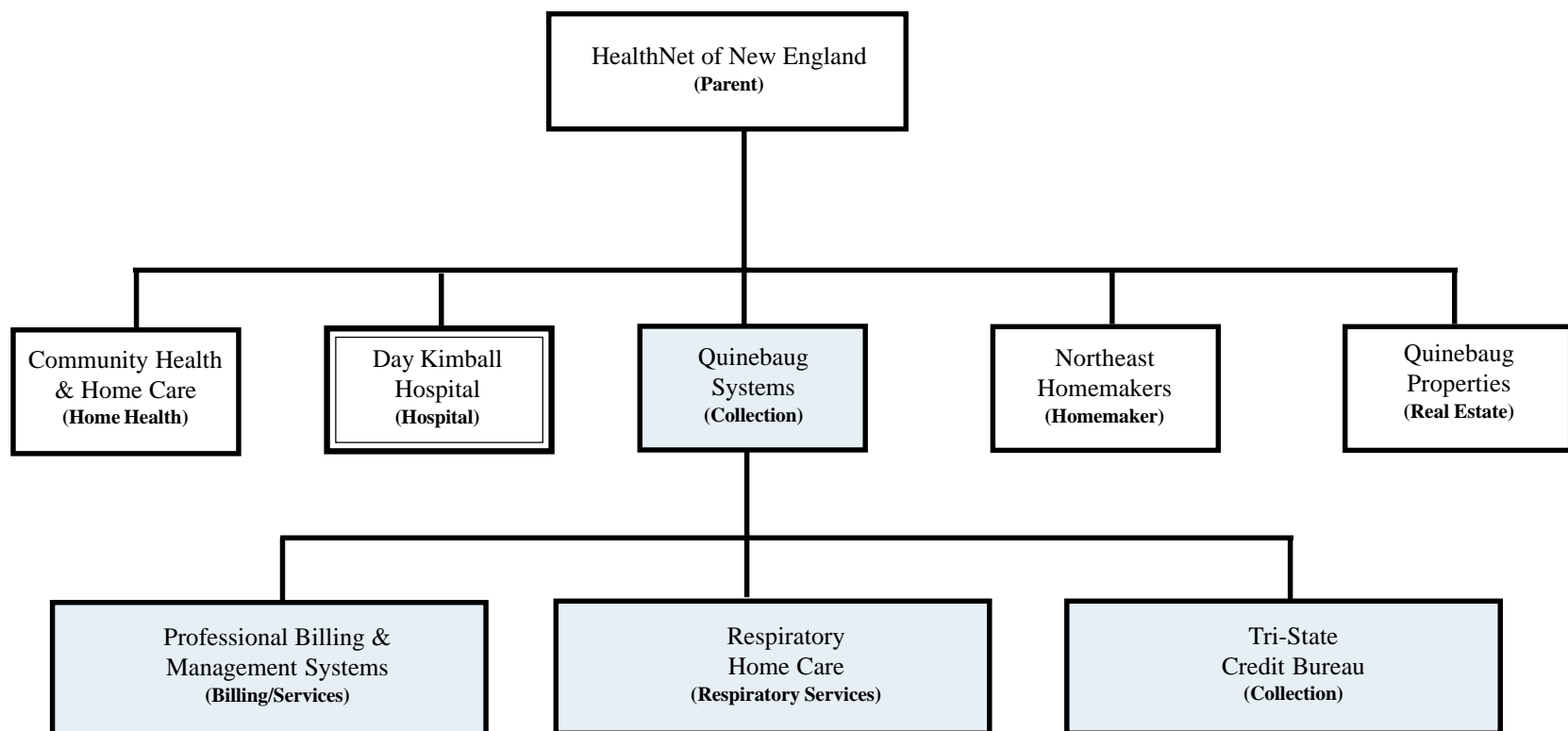
	FY 1997 Actual Results	FY 1996 Actual Results
Net Revenue	\$49,849,179	\$46,469,782
UCP/Tax Adjustments	(\$1,348,242)	(\$1,034,920)
Other Operating Revenue	\$230,215	\$74,786
Total Operating Expenses	\$46,386,100	\$43,884,343
Gain/(Loss) from Operations	\$2,345,052	\$1,625,305
Non-Operating Revenue	\$119,951	\$120,072

	Operating Results	FY 1997 Actual Results	FY Actual
Charges:	Total Gross Revenue (G/R)	\$73,957,793	\$70
	Percentage of G/R relating to Inpatient Volume	52.7%	
	Percentage of G/R relating to Government Payers	58.5%	
Managed Care:	Revenue Associated w/ Mgd Care Discounts	\$26,340,905	\$29
	Average Managed Care Discount	5%	
Uncompensated Care:	Bad Debt and Free Care	\$2,703,830	\$2
Profitability:	Net Operating Margin	4.8%	
Volume:	Staffed Bed Occupancy	54	
	Average Length of Stay (days)	4.2	
Staffing:	Full Time Equivalents	542	
Cost Efficiency:	Cost Index Rating	25	
	1 = Most Cost Effective Hospital		
	32 = Least Cost Effective Hospital		

Hospital FY 1997 Activities Approved, Denied or Modified by OHCA

Approved acquisition of Community Home Health of Putnam by the Hospital at no capital cost.

CORPORATE ORGANIZATION CHART*
HealthNet of New England



*Shaded areas represent "FOR-PROFIT" entities

Please note that this organizational chart was compiled using the organizational chart submitted by the hospital in its annual filing to OHCA

ABOUT JOHN DEMPSEY HOSPITAL

For the fiscal year ending September 30, 1997 (FY 1997), **John Dempsey Hospital**, located in Farmington, staffed 145 of its 224 licensed beds. As the teaching hospital of the University of Connecticut Health Center, the Hospital is a statewide referral site for the provision of tertiary services.

Income Statement

	FY 1997 Actual Results	FY 1996 Actual Results
Net Revenue	\$113,883,954	\$126,490,994
UCP/Tax Adjustments	(\$7,705,619)	(\$6,621,490)
Other Operating Revenue	\$0	\$0
Total Operating Expenses	\$115,046,573	\$116,659,261
Gain/(Loss) from Operations	(\$8,868,238)	\$3,210,243
Non-Operating Revenue	\$0	\$0

Operating Results		FY 1997 Actual Results	FY Actual
Charges:	Total Gross Revenue (G/R)	\$154,442,635	\$162
	Percentage of G/R relating to Inpatient Volume	64.1%	
	Percentage of G/R relating to Government Payers	51.3%	
Managed Care:	Revenue Associated w / Mgd Care Discounts	\$75,179,102	\$86
	Average Managed Care Discount	25%	
Uncompensated Care:	Bad Debt and Free Care	\$4,703,875	\$4
Profitability:	Net Operating Margin	-8.4%	
Volume:	Staffed Bed Occupancy	131	
	Average Length of Stay (days)	7.4	
Staffing:	Full Time Equivalents	1001	
Cost Efficiency:	Cost Index Rating	1	
	1 = Most Cost Effective Hospital		
	32 = Least Cost Effective Hospital		

Hospital FY 1997 Activities Approved, Denied or Modified by OHCA

- Approved establishment of a home dialysis treatment center for \$75,000 at the MacDougall Correctional facility.
- Denied an application for the Hospital's participation in the establishment of an outpatient surgery center in Avon.

Hospital Affiliate FY 1997 Activities Approved, Denied or Modified by OHCA

Approved the alliance of the University of Connecticut Health Center in Farmington with Hartford Health Care Corporation, the parent corporation of Hartford Hospital. This alliance integrated academic, research, and clinical programs.

CORPORATE ORGANIZATION CHART*
John Dempsey Hospital

**NO CHART AVAILABLE FOR
JOHN DEMPSEY HOSPITAL**

ABOUT GREENWICH HOSPITAL

For the fiscal year ending September 30, 1997 (FY 1997), **Greenwich Hospital**, located in Greenwich, staffed all of its 178 licensed beds. In addition to the Town of Greenwich, the Hospital primarily serves the towns of Darien and New Canaan.

Income Statement

	FY 1997 Actual Results	FY 1996 Actual Results
Net Revenue	\$106,651,818	\$98,958,435
UCP/Tax Adjustments	(\$6,031,441)	(\$4,793,497)
Other Operating Revenue	(\$834,849)	\$4,953,007
Total Operating Expenses	\$100,695,036	\$91,198,700
Gain/(Loss) from Operations	(\$909,508)	\$7,919,245
Non-Operating Revenue	\$9,627,741	\$5,742,865

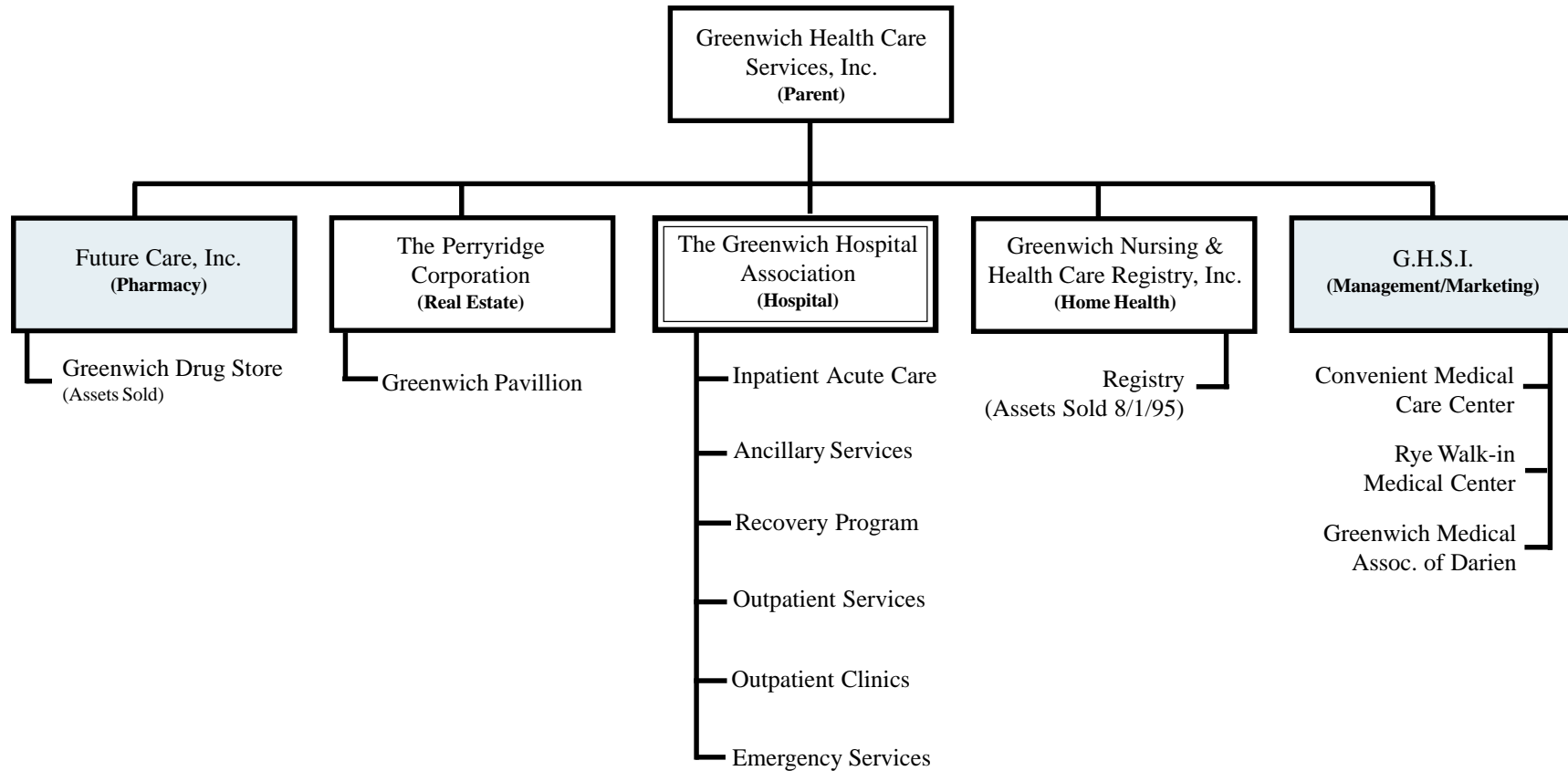
Operating Results		FY 1997 Actual Results	FY Actual
Charges:	Total Gross Revenue (G/R)	\$172,647,635	\$161
	Percentage of G/R relating to Inpatient Volume	57.7%	
	Percentage of G/R relating to Government Payers	51.4%	
Managed Care:	Revenue Associated w/ Mgd Care Discounts	\$61,310,286	\$49
	Average Managed Care Discount	18%	
Uncompensated Care:	Bad Debt and Free Care	\$5,759,933	\$5
Profitability:	Net Operating Margin	-0.8%	
Volume:	Staffed Bed Occupancy	123	
	Average Length of Stay (days)	5.2	
Staffing:	Full Time Equivalents	942	
Cost Efficiency:	Cost Index Rating	28	
	1 = Most Cost Effective Hospital		
	32 = Least Cost Effective Hospital		

Hospital FY 1997 Activities Approved, Denied or Modified by OHCA

Modified the previously approved cost of the Hospital's management information systems project at an additional \$680,380.

Please note that during FY 1998, OHCA approved the affiliation of the Hospital's parent with Yale-New Haven Health Care Corporation, parent of Yale-New Haven Hospital.

CORPORATE ORGANIZATION CHART*
Greenwich Hospital



*Shaded areas represent "FOR-PROFIT" entities

Please note that this organizational chart was compiled using the organizational chart submitted by the hospital in its annual filing to OHCA

ABOUT GRIFFIN HOSPITAL

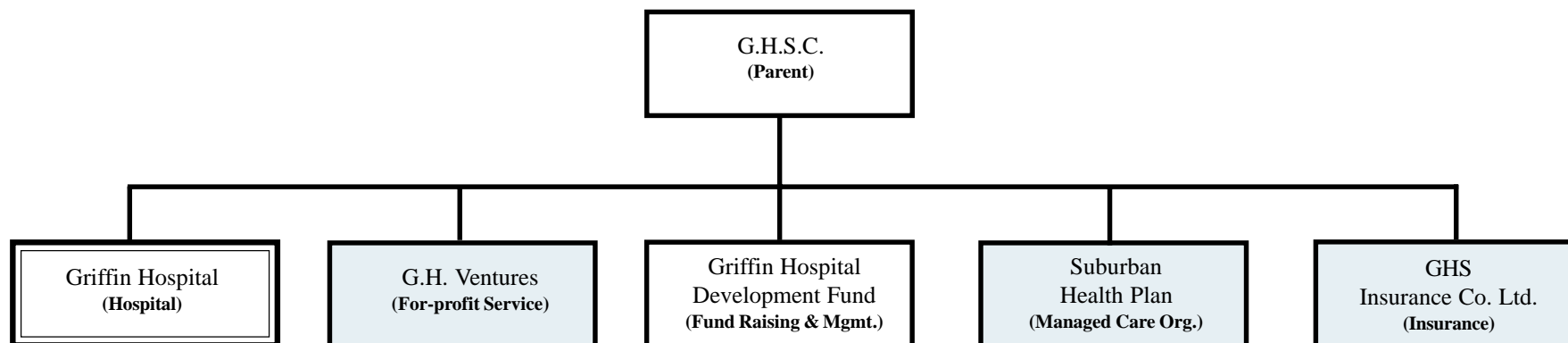
For the fiscal year ending September 30, 1997 (FY 1997), **Griffin Hospital**, located in Derby, staffed all of its 175 licensed beds. In addition to the Town of Derby, the Hospital primarily serves the towns of Ansonia, Shelton, Seymour, Oxford and Beacon Falls.

Income Statement

	FY 1997 Actual Results	FY 1996 Actual Results
Net Revenue	\$58,641,700	\$64,771,872
UCP/Tax Adjustments	(\$584,733)	(\$161,535)
Other Operating Revenue	\$80,236	\$124,975
Total Operating Expenses	\$59,392,500	\$60,837,777
Gain/(Loss) from Operations	(\$1,255,297)	\$3,897,535
Non-Operating Revenue	\$741,761	\$2,608,352

	Operating Results	FY 1997 Actual Results	FY Actual
Charges:	Total Gross Revenue (G/R)	\$145,294,779	\$139
	Percentage of G/R relating to Inpatient Volume	65.6%	
	Percentage of G/R relating to Government Payers	61.8%	
Managed Care:	Revenue Associated w/ Mgd Care Discounts	\$45,368,470	\$43
	Average Managed Care Discount	52%	
Uncompensated Care:	Bad Debt and Free Care	\$6,470,871	\$5
Profitability:	Net Operating Margin	-2.1%	
Volume:	Staffed Bed Occupancy	82	
	Average Length of Stay (days)	5.3	
Staffing:	Full Time Equivalents	717	
Cost Efficiency:	Cost Index Rating	31	
	1 = Most Cost Effective Hospital		
	32 = Least Cost Effective Hospital		

CORPORATE ORGANIZATION CHART*
Griffin Hospital



*Shaded areas represent “FOR-PROFIT” entities

Please note that this organizational chart was compiled using the organizational chart submitted by the hospital in its annual filing to OHCA

ABOUT HARTFORD HOSPITAL

For the fiscal year ending September 30, 1997 (FY 1997), **Hartford Hospital**, located in Hartford, staffed 791 of its 867 licensed beds. In addition to serving as a community hospital for residents of the Greater Hartford area, the Hospital is a statewide referral site for the provision of tertiary services.

Income Statement

	FY 1997 Actual Results	FY 1996 Actual Results
Net Revenue	\$354,822,808	\$358,222,903
UCP/Tax Adjustments	\$5,966,636	(\$2,753,453)
Other Operating Revenue	\$234,899	\$235,124
Total Operating Expenses	\$350,240,219	\$354,501,064
Gain/(Loss) from Operations	\$10,784,124	\$1,203,510
Non-Operating Revenue	\$19,297,205	\$15,850,212

Operating Results		FY 1997 Actual Results	FY Actual
Charges:	Total Gross Revenue (G/R)	\$467,087,220	\$475
	Percentage of G/R relating to Inpatient Volume	77.2%	
	Percentage of G/R relating to Government Payers	61.7%	
Managed Care:	Revenue Associated w/ Mgd Care Discounts	\$132,645,297	\$135
	Average Managed Care Discount	24%	
Uncompensated Care:	Bad Debt and Free Care	\$18,260,294	\$20
Profitability:	Net Operating Margin	2.8%	
Volume:	Staffed Bed Occupancy	529	
	Average Length of Stay (days)	5.3	
Staffing:	Full Time Equivalents	4675	
Cost Efficiency:	Cost Index Rating	4	
	1 = Most Cost Effective Hospital		
	32 = Least Cost Effective Hospital		

Hospital FY 1997 Activities Approved, Denied or Modified by OHCA

- Approved the Hospital's participation in the radiation oncology project with Manchester Memorial, Rockville General, and Johnson Memorial Hospitals, with Hartford Hospital providing a \$1.4 million 10-year loan, and \$600,000 in equity towards the project.
- Denied an application for the Hospital's participation in the establishment of an outpatient surgery center in Avon.

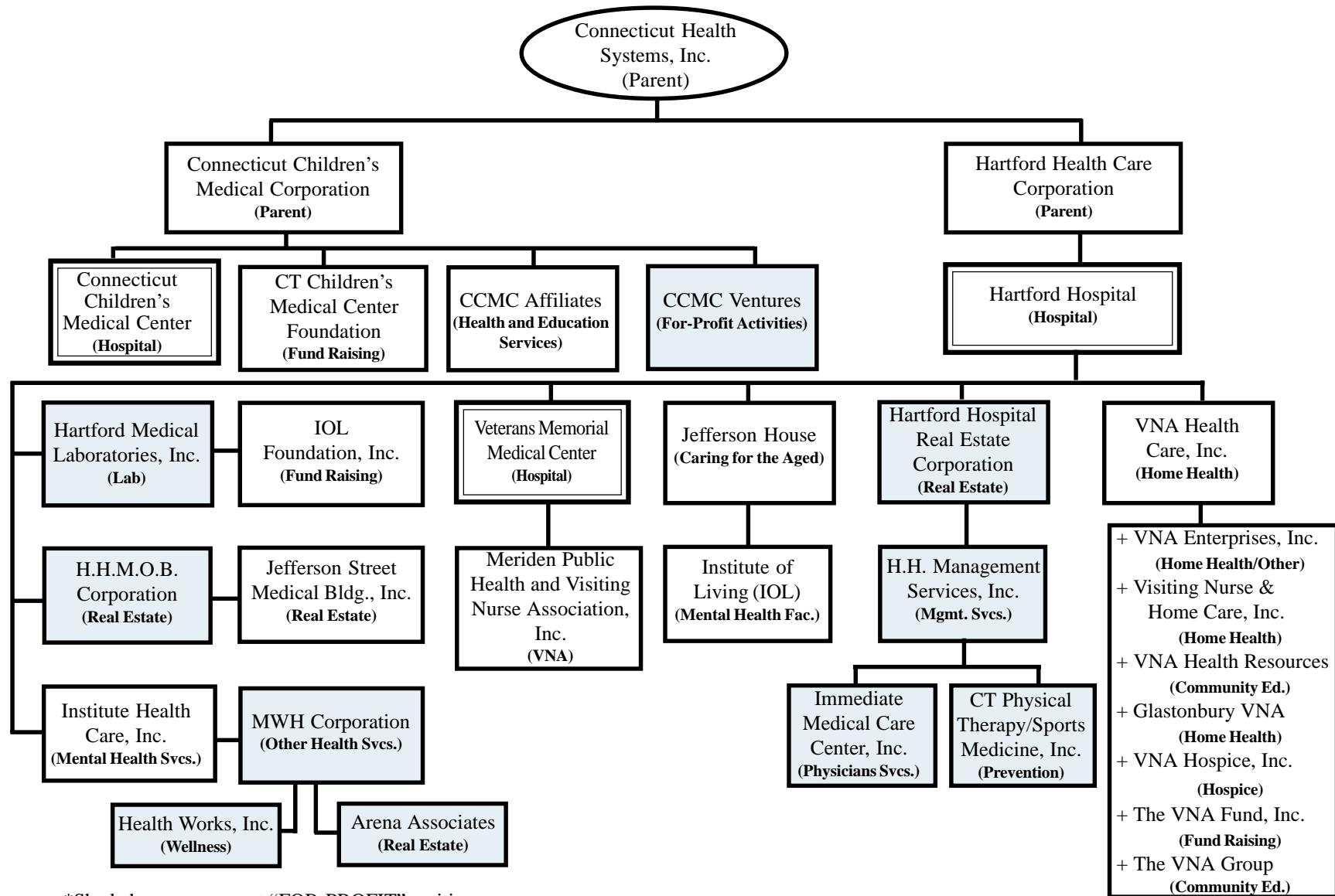
Hospital Affiliate FY 1997 Activities Approved, Denied or Modified by OHCA

- Approved an alliance of the Hospital parent corporation, Hartford Health Care Corporation, with the University of Connecticut Health Center in Farmington. This alliance integrated academic, research, and clinical programs.
- Approved the expansion of two inhouse programs (Todd and Buckingham) of Hartford's psychiatric affiliate at no capital cost and authorized relocation of the adolescent partial hospitalization program in Enfield for \$17,000.
- Approved the Continuing Care Retirement Community at Duncaster in Bloomfield to establish an Assisted Living Service Agency.

Hartford Hospital

CORPORATE ORGANIZATION CHART*

Hartford Hospital, Connecticut Children's Medical Center & Veterans Memorial Medical Center



*Shaded areas represent "FOR-PROFIT" entities

Please note that this organizational chart was compiled using the organizational chart submitted by the hospital in its annual filing to OHCA

ABOUT THE CHARLOTTE HUNGERFORD HOSPITAL

For the fiscal year ending September 30, 1997 (FY 1997), **The Charlotte Hungerford Hospital**, located in Torrington, staffed 113 of its 122 licensed beds. In addition to the Town of Torrington, the Hospital primarily serves the towns of Litchfield, Winchester, Harwinton, New Hartford, Goshen and Norfolk.

Income Statement

	FY 1997 Actual Results	FY 1996 Actual Results
Net Revenue	\$60,812,146	\$57,453,480
UCP/Tax Adjustments	(\$2,251,016)	(\$626,000)
Other Operating Revenue	\$748,217	\$702,089
Total Operating Expenses	<u>\$58,563,395</u>	<u>\$56,076,825</u>
Gain/(Loss) from Operations	\$745,952	\$1,452,744
Non-Operating Revenue	\$3,877,160	\$2,404,463

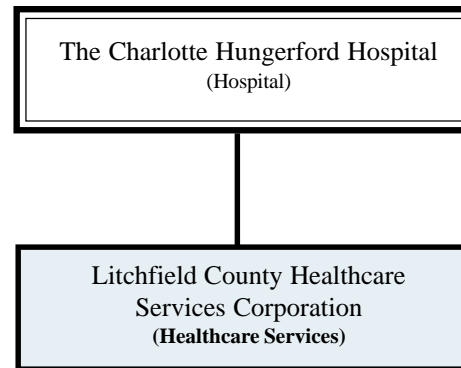
Operating Results		FY 1997 Actual Results	FY Actual
Charges:	Total Gross Revenue (G/R)	\$92,852,912	\$84
	Percentage of G/R relating to Inpatient Volume	52.4%	
	Percentage of G/R relating to Government Payers	59.0%	
Managed Care:	Revenue Associated w/ Mgd Care Discounts	\$31,865,088	\$29
	Average Managed Care Discount	25%	
Uncompensated Care:	Bad Debt and Free Care	\$2,351,808	\$1
Profitability:	Net Operating Margin	1.2%	
Volume:	Staffed Bed Occupancy	77	
	Average Length of Stay (days)	5.0	
Staffing:	Full Time Equivalents	693	
Cost Efficiency:	Cost Index Rating	10	
	1 = Most Cost Effective Hospital		
	32 = Least Cost Effective Hospital		

Hospital FY 1997 Activities Approved, Denied or Modified by OHCA

Approved the Hospital's proposed joint venture with St. Francis Hospital and Medical Center to provide ambulatory care and emergency services at the site of the former Winsted Memorial Hospital at a cost of \$1.9 million.

The Charlotte Hungerford Hospital

CORPORATE ORGANIZATION CHART* The Charlotte Hungerford Hospital



*Shaded areas represent “FOR-PROFIT” entities

Please note that this organizational chart was compiled using the organizational chart submitted by the hospital in its annual filing to OHCA



ABOUT JOHNSON MEMORIAL HOSPITAL

For the fiscal year ending September 30, 1997 (FY 1997), **Johnson Memorial Hospital**, located in Stafford, staffed all of its 98 licensed beds. In addition to the Town of Stafford, the Hospital primarily serves the towns of Enfield, Union, Somers, Suffield and East Windsor.

Income Statement

	FY 1997 Actual Results	FY 1996 Actual Results
Net Revenue	\$35,894,255	\$35,667,007
UCP/Tax Adjustments	(\$914,369)	(\$640,197)
Other Operating Revenue	\$125,651	\$98,588
Total Operating Expenses	\$35,578,195	\$34,144,307
Gain/(Loss) from Operations	(\$472,658)	\$981,091
Non-Operating Revenue	\$581,890	\$600,192

Operating Results		FY 1997 Actual Results	FY Actual
Charges:	Total Gross Revenue (G/R)	\$63,089,909	\$61
	Percentage of G/R relating to Inpatient Volume	59.6%	
	Percentage of G/R relating to Government Payers	54.1%	
Managed Care:	Revenue Associated w/ Mgd Care Discounts	\$20,273,680	\$17
	Average Managed Care Discount	39%	
Uncompensated Care:	Bad Debt and Free Care	\$2,378,523	\$2
Profitability:	Net Operating Margin	-1.3%	
Volume:	Staffed Bed Occupancy	51	
	Average Length of Stay (days)	4.9	
Staffing:	Full Time Equivalents	461	
Cost Efficiency:	Cost Index Rating	14	
	1 = Most Cost Effective Hospital		
	32 = Least Cost Effective Hospital		

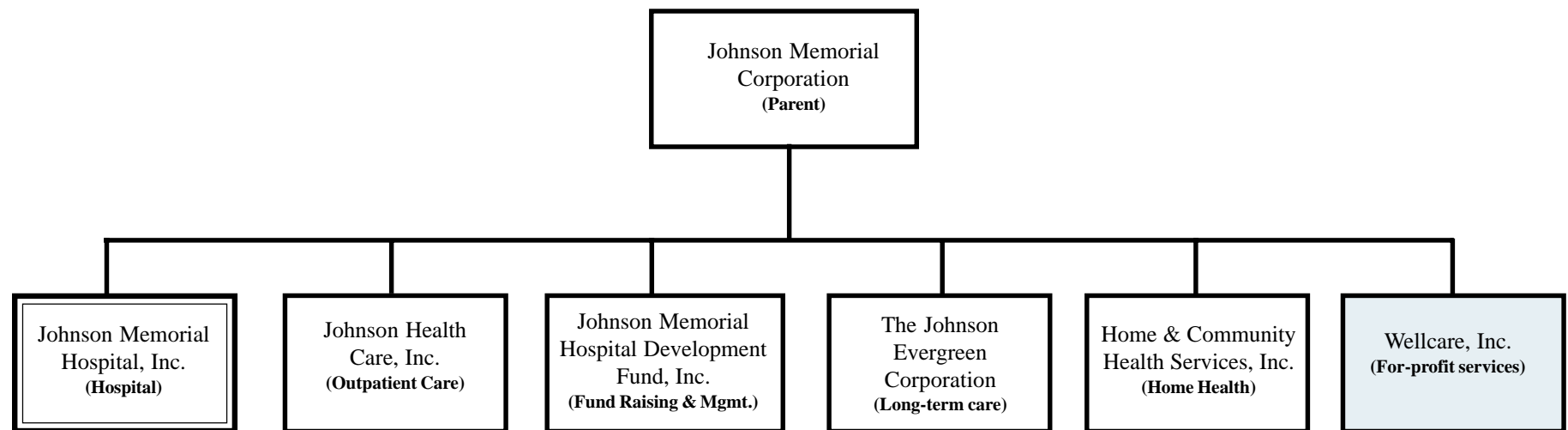
Hospital FY 1997 Activities Approved, Denied or Modified by OHCA

- Approved the Hospital's participation in the radiation oncology project with Rockville General, Manchester Memorial, and Hartford Hospitals. The share of the project's capital cost attributed to Johnson Memorial Hospital's parent corporation is approximately \$2.3 million.
- Approved the reallocation of psychiatric day treatment slots from Stafford Springs to the Enfield ambulatory services facility.

Hospital Affiliate FY 1997 Activities Approved, Denied or Modified by OHCA

Approved hospital parent corporation, Johnson Memorial Corporation, to construct the radiology oncology project northern site for \$2.3 million.

CORPORATE ORGANIZATION CHART*
Johnson Memorial Hospital



*Shaded areas represent "FOR-PROFIT" entities

Please note that this organizational chart was compiled using the organizational chart submitted by the hospital in its annual filing to OHCA

ABOUT LAWRENCE & MEMORIAL HOSPITAL

For the fiscal year ending September 30, 1997 (FY 1997), **Lawrence & Memorial Hospital**, located in New London, staffed 256 of its 318 licensed beds. In addition to the Town of New London, the Hospital primarily serves the towns of Groton, Waterford, East Lyme, Montville, Ledyard and Stonington.

Income Statement

	FY 1997 Actual Results	FY 1996 Actual Results
Net Revenue	\$134,542,335	\$123,540,019
UCP/Tax Adjustments	(\$6,955,253)	(\$4,109,253)
Other Operating Revenue	\$0	\$0
Total Operating Expenses	\$122,836,185	\$120,585,049
Gain/(Loss) from Operations	\$4,750,897	(\$1,154,283)
Non-Operating Revenue	\$1,092,529	\$1,071,585

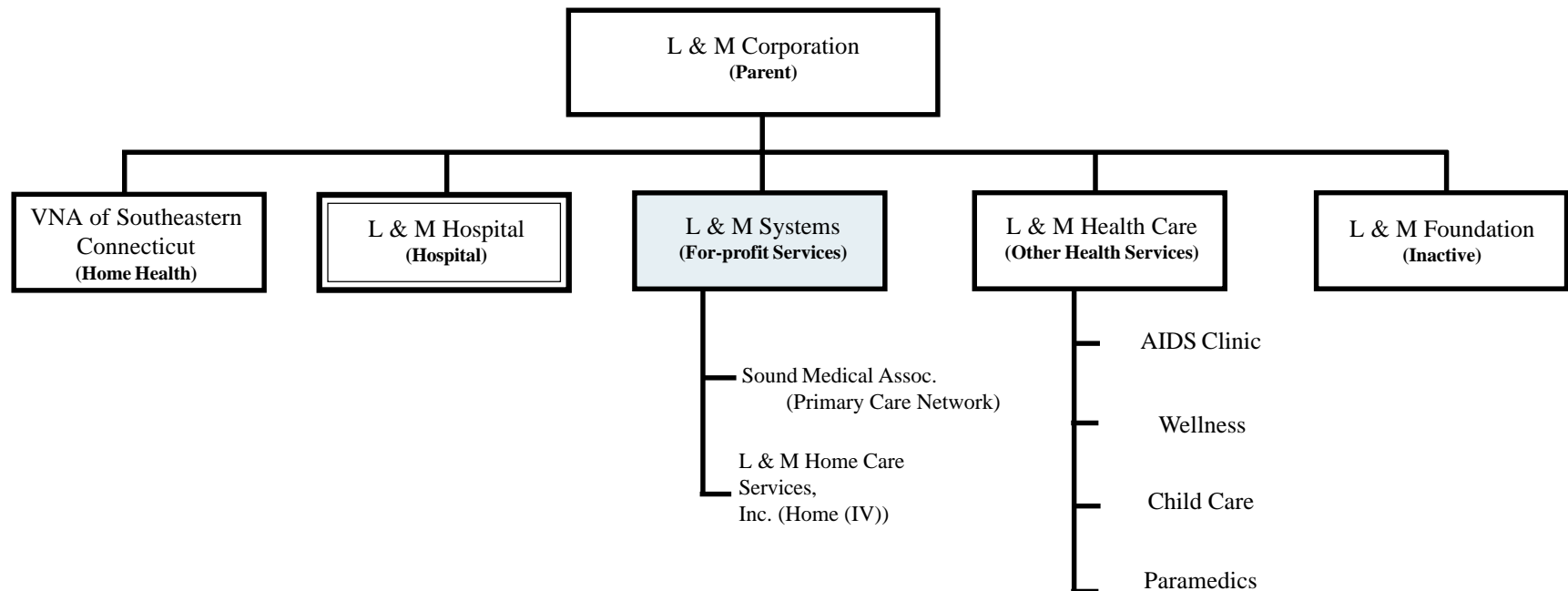
Operating Results		FY 1997 Actual Results	FY Actual
Charges:	Total Gross Revenue (G/R)	\$209,886,132	\$194
	Percentage of G/R relating to Inpatient Volume	63.4%	
	Percentage of G/R relating to Government Payers	59.4%	
Managed Care:	Revenue Associated w/ Mgd Care Discounts	\$57,261,944	\$51
	Average Managed Care Discount	13%	
Uncompensated Care:	Bad Debt and Free Care	\$9,502,770	\$7
Profitability:	Net Operating Margin	3.7%	
Volume:	Staffed Bed Occupancy	184	
	Average Length of Stay (days)	4.8	
Staffing:	Full Time Equivalents	1372	
Cost Efficiency:	Cost Index Rating	26	
	1 = Most Cost Effective Hospital		
	32 = Least Cost Effective Hospital		

Hospital FY 1997 Activities Approved, Denied or Modified by OHCA

- Approved the Hospital's acquisition of a second Linear Accelerator at a cost of \$1.7 million.
- Approved the Hospital's acquisition of an Orthovoltage machine at a cost of \$212,800.

Lawrence & Memorial Hospital

CORPORATE ORGANIZATION CHART* Lawrence & Memorial Hospital



*Shaded areas represent "FOR-PROFIT" entities

Please note that this organizational chart was compiled using the organizational chart submitted by the hospital in its annual filing to OHCA



ABOUT MANCHESTER MEMORIAL HOSPITAL

For the fiscal year ending September 30, 1997 (FY 1997), **Manchester Memorial Hospital**, located in Manchester, staffed 195 of its 283 licensed beds. In addition to the Town of Manchester, the Hospital primarily serves the towns of East Hartford and South Windsor.

Income Statement

	FY 1997 Actual Results	FY 1996 Actual Results
Net Revenue	\$89,328,784	\$86,180,074
UCP/Tax Adjustments	(\$2,797,084)	(\$4,077,021)
Other Operating Revenue	\$0	\$18,437
Total Operating Expenses	\$82,762,074	\$77,964,463
Gain/(Loss) from Operations	\$3,769,626	\$4,157,026
Non-Operating Revenue	\$2,002,697	\$2,544,187

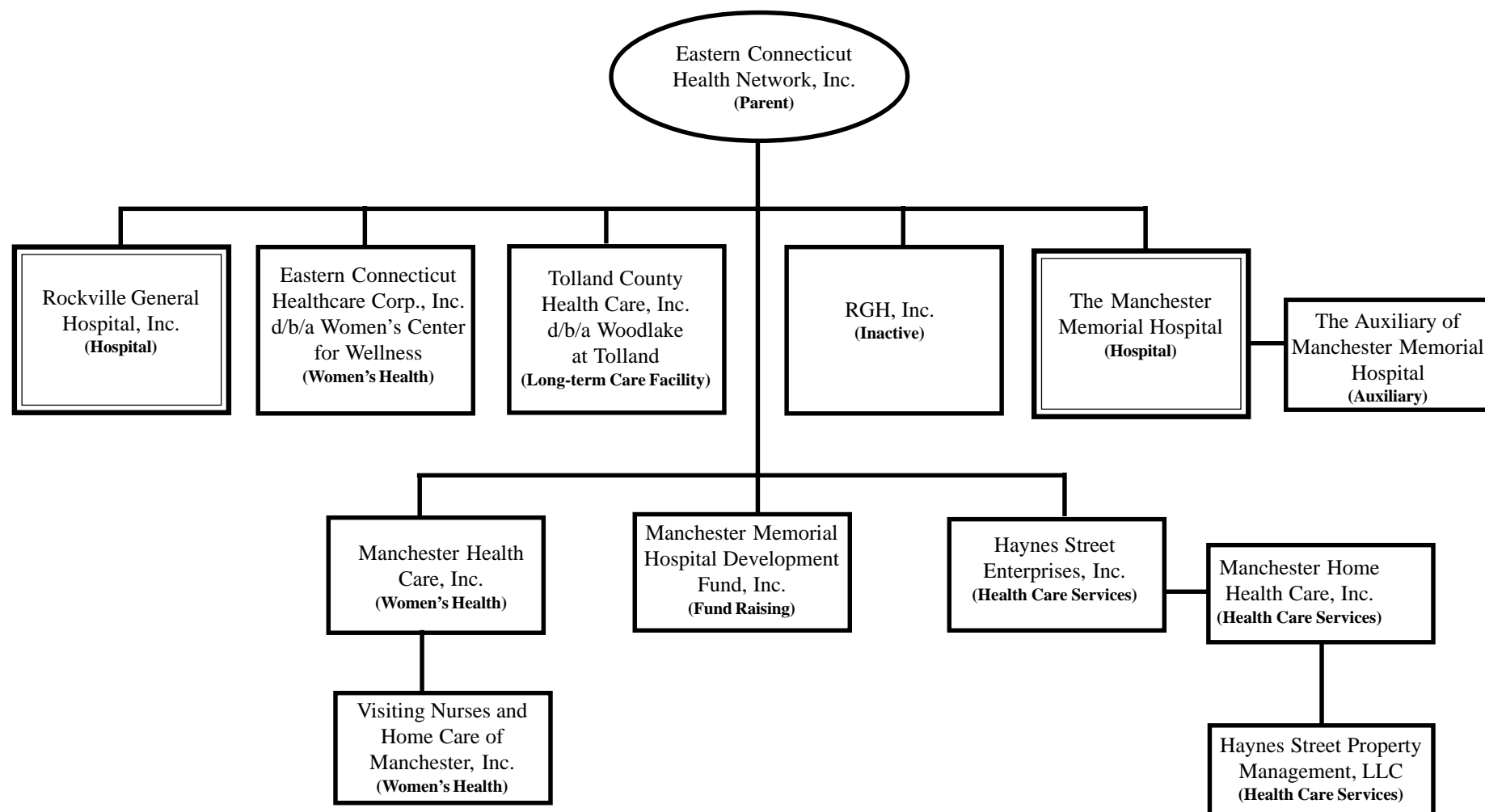
	Operating Results	FY 1997 Actual Results	FY Actual
Charges:	Total Gross Revenue (G/R)	\$176,872,333	\$174
	Percentage of G/R relating to Inpatient Volume	56.5%	
	Percentage of G/R relating to Government Payers	55.6%	
Managed Care:	Revenue Associated w/ Mgd Care Discounts	\$50,605,810	\$69
	Average Managed Care Discount	47%	
Uncompensated Care:	Bad Debt and Free Care	\$6,150,612	\$6
Profitability:	Net Operating Margin	4.3%	
Volume:	Staffed Bed Occupancy	94	
	Average Length of Stay (days)	4.2	
Staffing:	Full Time Equivalents	1053	
Cost Efficiency:	Cost Index Rating	29	
	1 = Most Cost Effective Hospital		
	32 = Least Cost Effective Hospital		

Hospital FY 1997 Activities Approved, Denied or Modified by OHCA

Approved the Hospital's participation in the radiation oncology project with Rockville General, Johnson Memorial, and Hartford Hospitals with Manchester Hospital's share of the cost at \$2.1 million.

Manchester Memorial Hospital

CORPORATE ORGANIZATION CHART The Manchester Memorial Hospital & Rockville General Hospital



Please note that this organizational chart was compiled using the organizational chart submitted by the hospital in its annual filing to OHCA

ABOUT MIDDLESEX HOSPITAL

For the fiscal year ending September 30, 1997 (FY 1997), **Middlesex Hospital**, located in Middletown, staffed 126 of its 297 licensed beds. The Hospital primarily serves Middletown and the other towns of Middlesex County. In FY 1997, 54% of the Hospital's gross revenues were derived from outpatient services.

Income Statement

	FY 1997 Actual Results	FY 1996 Actual Results
Net Revenue	\$120,791,481	\$108,755,556
UCP/Tax Adjustments	(\$1,983,511)	(\$348,772)
Other Operating Revenue	\$165,951	\$597,807
Total Operating Expenses	<u>\$114,979,198</u>	<u>\$102,655,034</u>
Gain/(Loss) from Operations	\$3,994,723	\$6,349,557
Non-Operating Revenue	\$5,235,005	\$3,145,318

Operating Results		FY 1997 Actual Results	FY Actual
Charges:	Total Gross Revenue (G/R)	\$175,401,741	\$160
	Percentage of G/R relating to Inpatient Volume	46.1%	
	Percentage of G/R relating to Government Payers	57.1%	
Managed Care:	Revenue Associated w/ Mgd Care Discounts	\$54,441,309	\$48
	Average Managed Care Discount	21%	
Uncompensated Care:	Bad Debt and Free Care	\$6,289,075	\$7
Profitability:	Net Operating Margin	3.2%	
Volume:	Staffed Bed Occupancy	111	
	Average Length of Stay (days)	3.9	
Staffing:	Full Time Equivalents	1337	
Cost Efficiency:	Cost Index Rating	6	
	1 = Most Cost Effective Hospital		
	32 = Least Cost Effective Hospital		

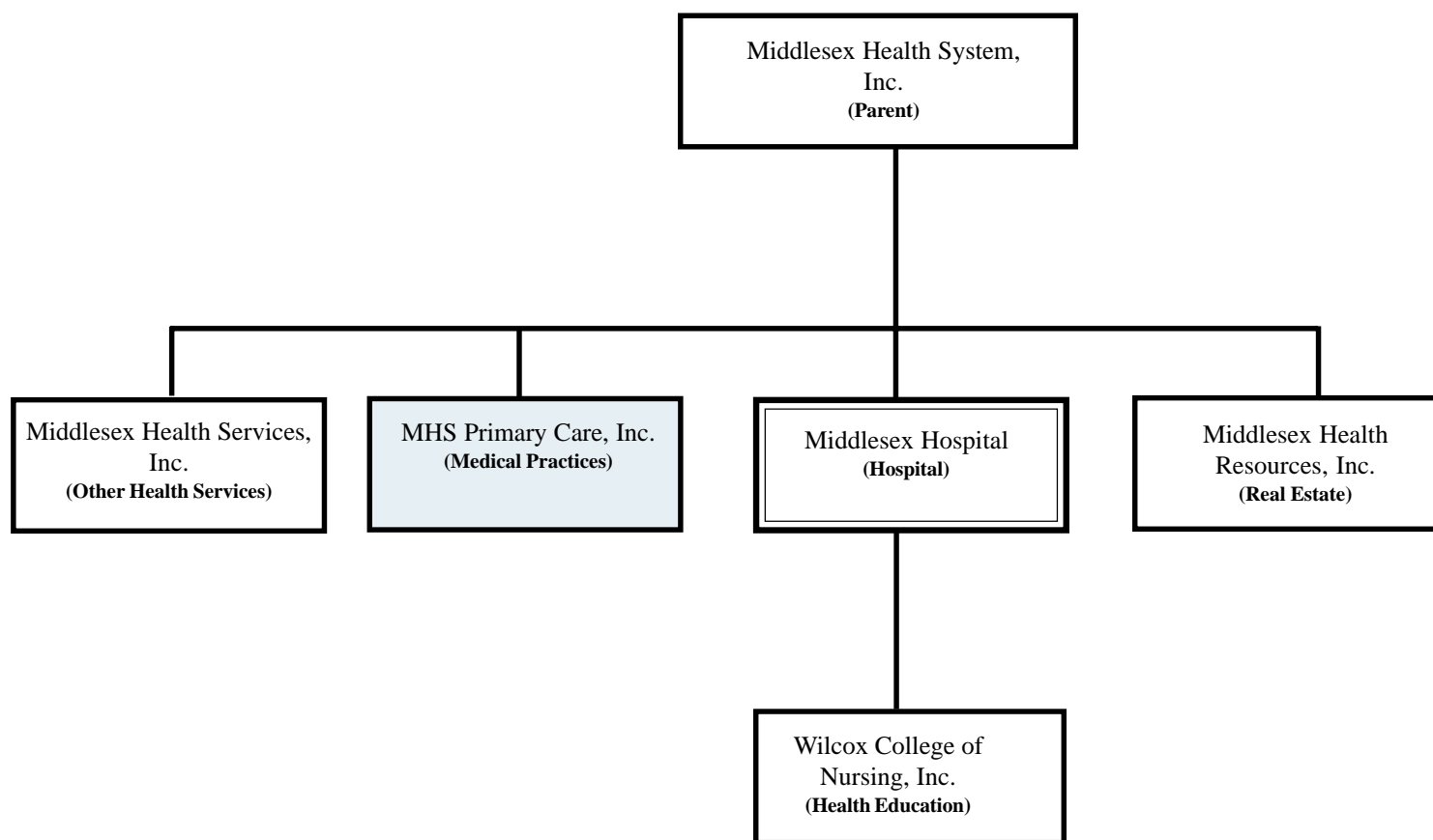
Hospital FY 1997 Activities Approved, Denied or Modified by OHCA

- Approved replacement of angiography equipment for \$1.5 million
- Approved expansion of services at the Marlborough ambulatory site to include physical therapy and cardiac rehabilitation services at a cost of \$457,000.
- Approved merger of Middlesex VNA and Surgery Center into the Hospital.

Hospital Affiliate FY 1997 Activities Approved, Denied or Modified by OHCA

Approved a project by Middlesex Health Services, Inc. to construct a managed residential community with an assisted living service agency for a total cost of \$8 million.

CORPORATE ORGANIZATION CHART*
Middlesex Health Care Corporation



*Shaded areas represent "FOR-PROFIT" entities

Please note that this organizational chart was compiled using the organizational chart submitted by the hospital in its annual filing to OHCA

ABOUT MILFORD HOSPITAL

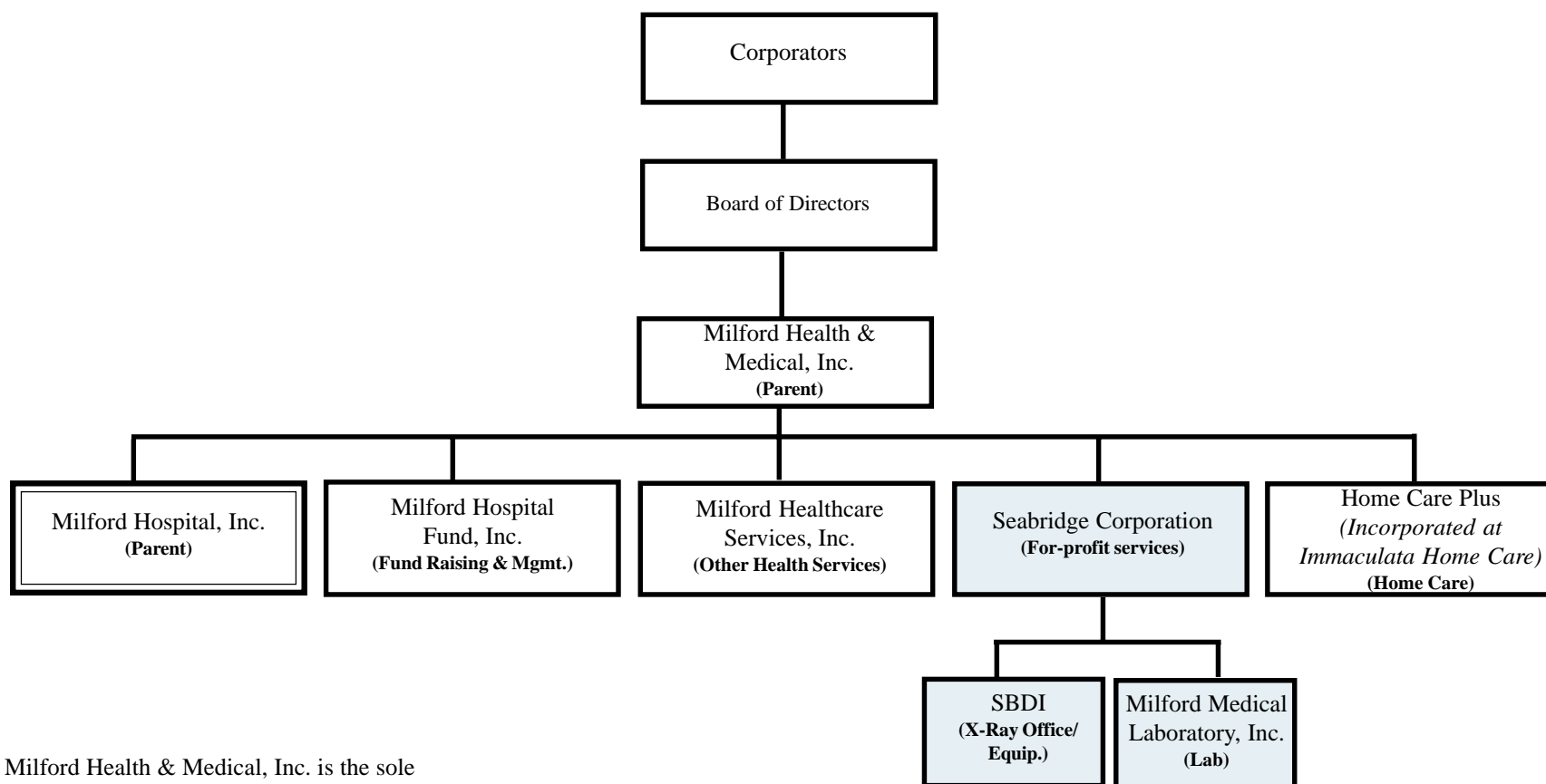
For the fiscal year ending September 30, 1997 (FY 1997), **Milford Hospital**, located in Milford, staffed 60 of its 139 licensed beds. The Hospital primarily serves the Town of Milford.

Income Statement

	FY 1997 Actual Results	FY 1996 Actual Results
Net Revenue	\$41,301,265	\$39,206,743
UCP/Tax Adjustments	(\$662,503)	(\$1,223,135)
Other Operating Revenue	\$149,307	\$222,003
Total Operating Expenses	<u>\$35,689,030</u>	<u>\$33,516,898</u>
Gain/(Loss) from Operations	\$5,099,038	\$4,688,713
Non-Operating Revenue	\$1,518,529	\$3,086,951

Operating Results		FY 1997 Actual Results	FY Actual
Charges:	Total Gross Revenue (G/R)	\$83,358,712	\$77
	Percentage of G/R relating to Inpatient Volume	63.8%	
	Percentage of G/R relating to Government Payers	60.3%	
Managed Care:	Revenue Associated w/ Mgd Care Discounts	\$27,928,872	\$26
	Average Managed Care Discount	33%	
Uncompensated Care:	Bad Debt and Free Care	\$4,033,930	\$2
Profitability:	Net Operating Margin	12.1%	
Volume:	Staffed Bed Occupancy	53	
	Average Length of Stay (days)	5.3	
Staffing:	Full Time Equivalents	436	
Cost Efficiency:	Cost Index Rating	30	
	1 = Most Cost Effective Hospital		
	32 = Least Cost Effective Hospital		

CORPORATE ORGANIZATION CHART*
Milford Hospital, Inc.



Milford Health & Medical, Inc. is the sole member of Milford Hospital, Inc., Milford Hospital Fund, Inc. and Milford Healthcare Services, Inc. and the sole shareholder of Seabridge Corp.

*Shaded areas represent "FOR-PROFIT" entities

Please note that this organizational chart was compiled using the organizational chart submitted by the hospital in its annual filing to OHCA

ABOUT NEW BRITAIN GENERAL HOSPITAL

For the fiscal year ending September 30, 1997 (FY 1997), **New Britain General Hospital**, located in New Britain, staffed 288 of its 362 licensed beds. In addition to the Town of New Britain, the Hospital primarily serves the towns of Berlin, Newington, Plainville and Southington.

Income Statement

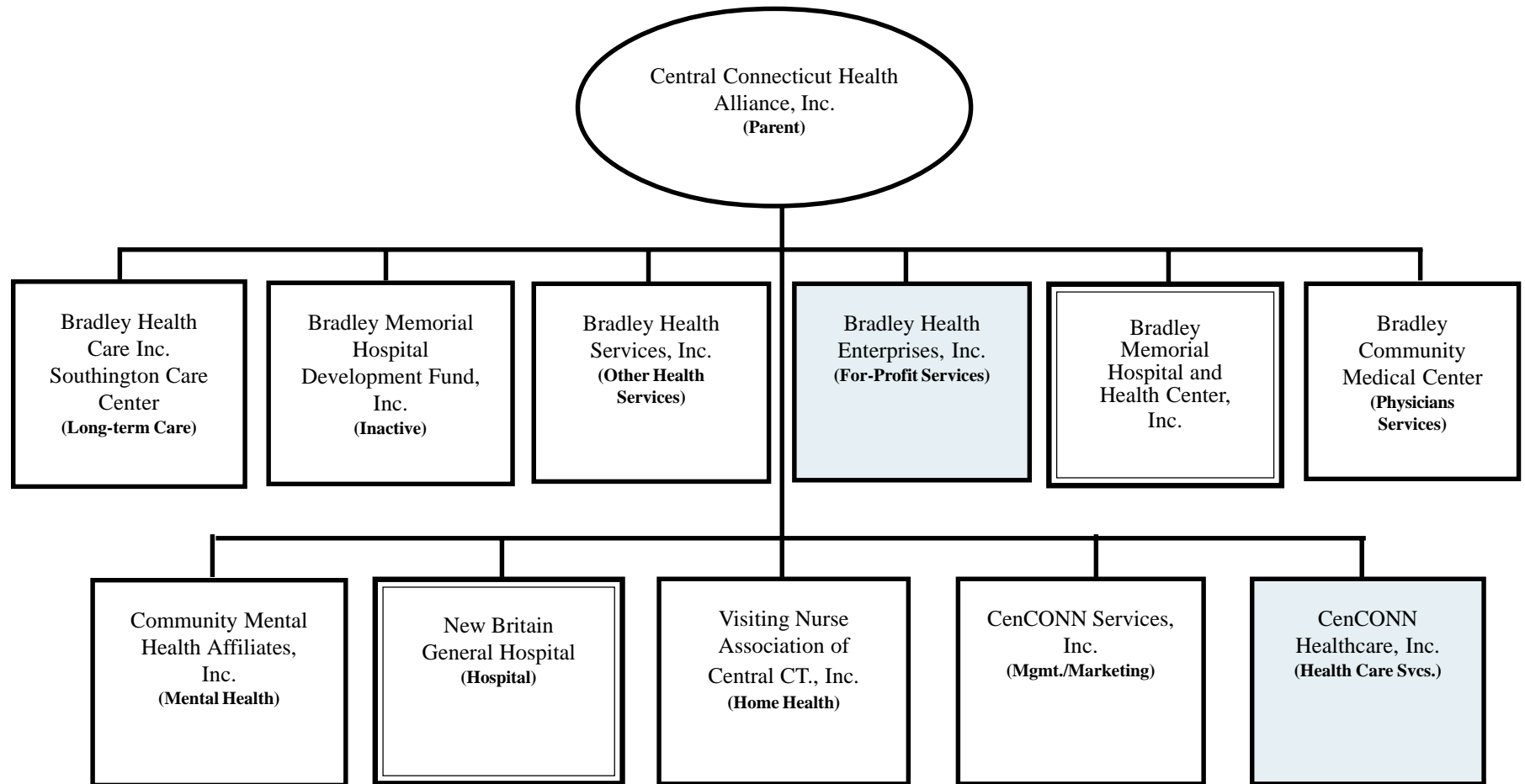
	FY 1997 Actual Results	FY 1996 Actual Results
Net Revenue	\$143,985,426	\$137,019,286
UCP/Tax Adjustments	(\$1,517,691)	(\$2,742,394)
Other Operating Revenue	\$1,169,330	\$1,534,442
Total Operating Expenses	<u>\$141,397,165</u>	<u>\$130,756,069</u>
Gain/(Loss) from Operations	\$2,239,900	\$5,055,265
Non-Operating Revenue	\$3,881,557	\$10,860,911

		FY 1997 Actual Results	FY 1996 Actual Results
Operating Results			
Charges:	Total Gross Revenue (G/R)	\$213,953,824	\$198,7
	Percentage of G/R relating to Inpatient Volume	58.6%	
	Percentage of G/R relating to Government Payers	61.6%	
Managed Care:	Revenue Associated w / Mgd Care Discounts	\$68,700,195	\$64,5
	Average Managed Care Discount	21%	
Uncompensated Care:	Bad Debt and Free Care	\$4,298,654	\$3,7
Profitability:	Net Operating Margin	1.5%	
Volume:	Staffed Bed Occupancy	192	
	Average Length of Stay (days)	4.8	
Staffing:	Full Time Equivalents	2030	
Cost Efficiency:	Cost Index Rating	2	
	1 = Most Cost Effective Hospital		
	32 = Least Cost Effective Hospital		

Hospital FY 1997 Activities Approved, Denied or Modified by OHCA

- Approved establishment of an outpatient dialysis clinic in Bristol jointly with Bristol Hospital and Bio-Medical Applications, Inc. at a cost to the Hospital of \$336,520.
- Approved establishment of an outpatient psychiatric and substance abuse clinic in Southington at a cost of \$5,928
- Denied an application for the Hospital's participation in the establishment of an outpatient surgery center in Avon.

CORPORATE ORGANIZATION CHART*
Bradley Memorial Hospital & New Britain General Hospital



*Shaded areas represent "FOR-PROFIT" entities

Please note that this organizational chart was compiled using the organizational chart submitted by the hospital in its annual filing to OHCA

ABOUT NEW MILFORD HOSPITAL

For the fiscal year ending September 30, 1997 (FY 1997), **New Milford Hospital**, located in New Milford, staffed 72 of its 95 licensed beds. In addition to the Town of New Milford, the Hospital primarily serves the towns of Washington, Kent, Sherman, Brookfield and Bridgewater.

Income Statement

	FY 1997 Actual Results	FY 1996 Actual Results
Net Revenue	\$38,251,887	\$35,836,074
UCP/Tax Adjustments	(\$867,878)	(\$1,704,949)
Other Operating Revenue	\$0	\$0
Total Operating Expenses	\$36,821,332	\$33,527,663
Gain/(Loss) from Operations	\$562,677	\$603,462
Non-Operating Revenue	\$112,716	\$18,238

Operating Results		FY 1997 Actual Results	FY Actual
Charges:	Total Gross Revenue (G/R)	\$77,981,363	\$72
	Percentage of G/R relating to Inpatient Volume	57.3%	
	Percentage of G/R relating to Government Payers	55.0%	
Managed Care:	Revenue Associated w/ Mgd Care Discounts	\$30,088,124	\$26
	Average Managed Care Discount	33%	
Uncompensated Care:	Bad Debt and Free Care	\$2,653,411	\$2
Profitability:	Net Operating Margin	1.5%	
Volume:	Staffed Bed Occupancy	38	
	Average Length of Stay (days)	4.8	
Staffing:	Full Time Equivalents	417	
Cost Efficiency:	Cost Index Rating	20	
	1 = Most Cost Effective Hospital		
	32 = Least Cost Effective Hospital		

Hospital FY 1997 Activities Approved, Denied or Modified by OHCA

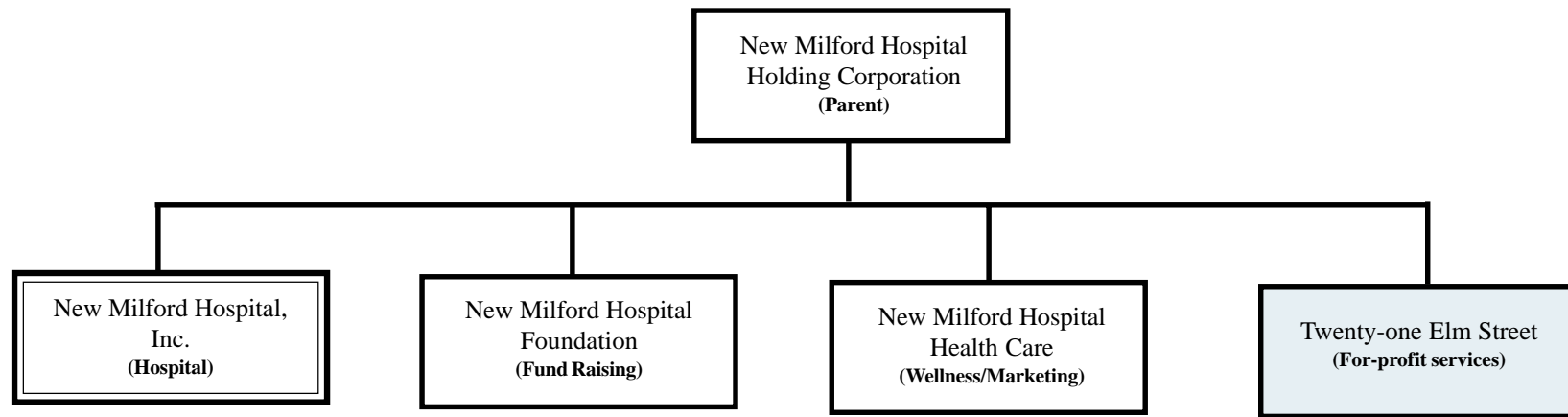
- Approved establishment of a radiation therapy service with building renovations at a cost of \$4.8 million
- Approved information systems upgrade at a cost of \$1.6 million.
- Approved the Hospital's proposal to operate a walk-in health center at a cost of \$532,748.

Hospital Affiliate FY 1997 Activities Approved, Denied or Modified by OHCA

Approved a change in the ownership and oversight of the New Milford Visiting Nurse Association, Inc. to the New Milford Hospital Holding Corporation.

New Milford Hospital

CORPORATE ORGANIZATION CHART* New Milford Hospital



*Shaded areas represent "FOR-PROFIT" entities

Please note that this organizational chart was compiled using the organizational chart submitted by the hospital in its annual filing to OHCA



ABOUT NORWALK HOSPITAL

For the fiscal year ending September 30, 1997 (FY 1997), **Norwalk Hospital**, located in Norwalk, staffed 276 of its 370 licensed beds. In addition to the Town of Norwalk, the Hospital primarily serves the towns of Westport, Wilton, Weston, New Canaan and Darien.

Income Statement

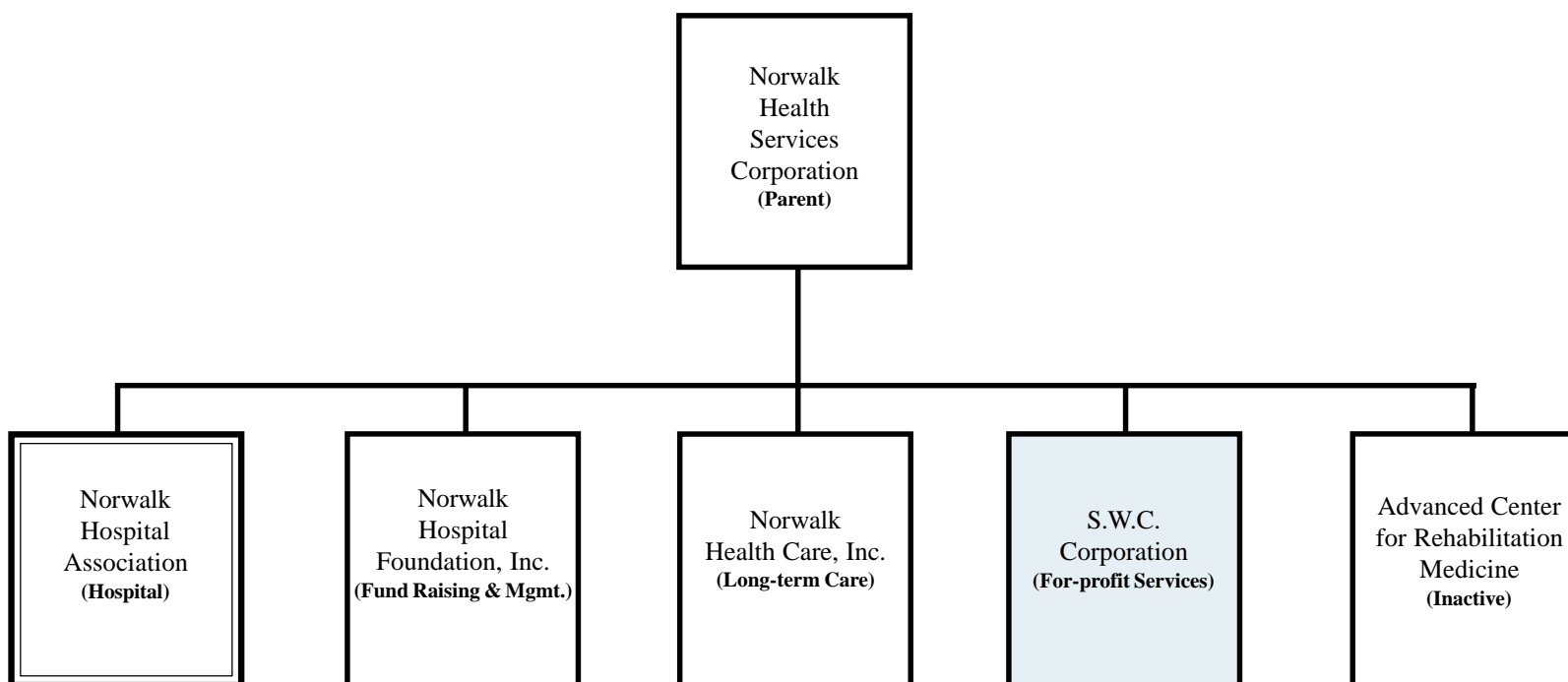
	FY 1997 Actual Results	FY 1996 Actual Results
Net Revenue	\$149,956,043	\$153,857,920
UCP/Tax Adjustments	\$737,824	(\$1,852,190)
Other Operating Revenue	\$1,784,258	\$988,242
Total Operating Expenses	<u>\$148,191,251</u>	<u>\$147,651,359</u>
Gain/(Loss) from Operations	\$4,286,874	\$5,342,613
Non-Operating Revenue	\$1,942,833	\$1,056,940

	Operating Results	FY 1997 Actual Results	FY Actual
Charges:	Total Gross Revenue (G/R)	\$237,287,133	\$242
	Percentage of G/R relating to Inpatient Volume	65.5%	
	Percentage of G/R relating to Government Payers	55.9%	
Managed Care:	Revenue Associated w / Mgd Care Discounts	\$82,404,879	\$77
	Average Managed Care Discount	17%	
Uncompensated Care:	Bad Debt and Free Care	\$11,910,511	\$13
Profitability:	Net Operating Margin	2.8%	
Volume:	Staffed Bed Occupancy	202	
	Average Length of Stay (days)	5.8	
Staffing:	Full Time Equivalents	1642	
Cost Efficiency:	Cost Index Rating	21	
	1 = Most Cost Effective Hospital		
	32 = Least Cost Effective Hospital		

Hospital FY 1997 Activities Approved, Denied or Modified by OHCA

- Approved renovations to reconfigure Emergency Room services at a cost of \$9 million.
- Approved the Hospital's operation of an "open air" MRI at an offsite location in Norwalk at a cost of \$611,000.

CORPORATE ORGANIZATION CHART*
Norwalk Health Services Corporation



*Shaded areas represent "FOR-PROFIT" entities

Please note that this organizational chart was compiled using the organizational chart submitted by the hospital in its annual filing to OHCA.

ABOUT ROCKVILLE GENERAL HOSPITAL

For the fiscal year ending September 30, 1997 (FY 1997), **Rockville General Hospital**, located in Vernon, Connecticut staffed 52 of its 118 licensed beds. In addition to the Town of Vernon, the Hospital primarily serves the towns of Tolland, Ellington, South Windsor and East Windsor.

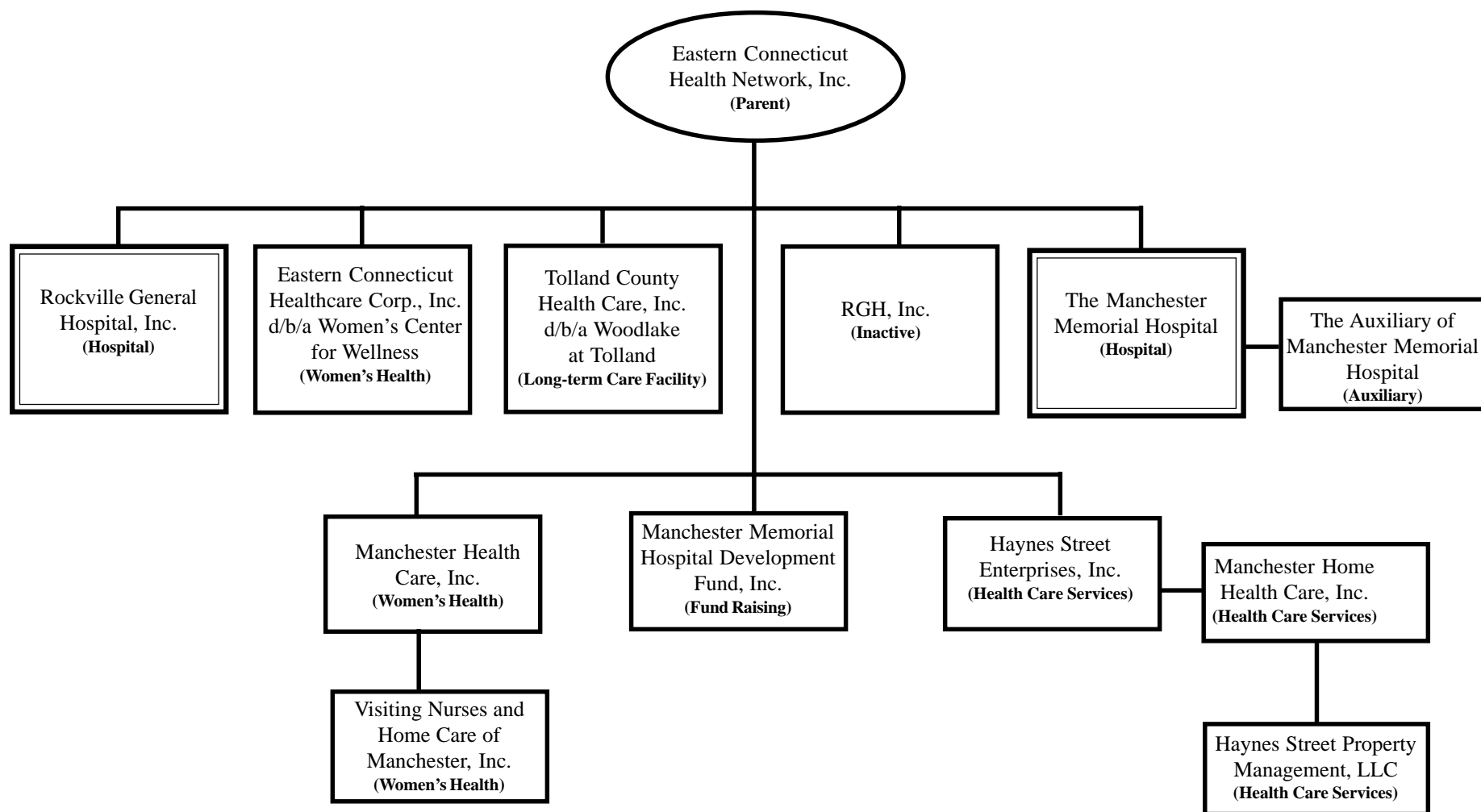
Income Statement	FY 1997	FY 1996
	Actual Results	Actual Results
Net Revenue	\$42,230,208	\$42,360,990
UCP/Tax Adjustments	(\$2,293,129)	(\$1,985,320)
Other Operating Revenue	\$41,798	\$0
Total Operating Expenses	<u>\$40,192,470</u>	<u>\$40,075,679</u>
Gain/(Loss) from Operations	(\$213,594)	\$299,991
Non-Operating Revenue	\$2,494,421	\$313,341

Operating Results		FY 1997 Actual Results	FY Actual
Charges:	Total Gross Revenue (G/R)	\$90,258,485	\$79
	Percentage of G/R relating to Inpatient Volume	54.5%	
	Percentage of G/R relating to Government Payers	57.8%	
Managed Care:	Revenue Associated w / Mgd Care Discounts	\$27,315,943	\$29
	Average Managed Care Discount	50%	
Uncompensated Care:	Bad Debt and Free Care	\$3,694,622	\$2
Profitability:	Net Operating Margin	-0.5%	
Volume:	Staffed Bed Occupancy	45	
	Average Length of Stay (days)	4.2	
Staffing:	Full Time Equivalents	496	
Cost Efficiency:	Cost Index Rating	18	
	1 = Most Cost Effective Hospital		
	32 = Least Cost Effective Hospital		

Hospital FY 1997 Activities Approved, Denied or Modified by OHCA

Approved the Hospital's participation in a joint radiation oncology project with Johnson Memorial Hospital, Manchester Memorial Hospital, and Hartford Hospital.

CORPORATE ORGANIZATION CHART
The Manchester Memorial Hospital & Rockville General Hospital



Please note that this organizational chart was compiled using the organizational chart submitted by the hospital in its annual filing to OHCA.

ABOUT ST. FRANCIS HOSPITAL AND MEDICAL CENTER

For the fiscal year ending September 30, 1997 (FY 1997), **Saint Francis Hospital and Medical Center**, located in Hartford, staffed 549 of its 682 licensed beds. In addition to Hartford, the Hospital primarily serves the towns of West Hartford, East Hartford, Bloomfield, Windsor and Enfield.

Income Statement

	FY 1997 Actual Results	FY 1996 Actual Results
Net Revenue	\$297,366,192	\$294,558,756
UCP/Tax Adjustments	\$11,152,229	\$2,537,293
Other Operating Revenue	\$76,737	\$32,125
Total Operating Expenses	<u>\$302,340,937</u>	<u>\$290,007,493</u>
Gain/(Loss) from Operations	\$6,254,221	\$7,120,681
Non-Operating Revenue	\$12,808,383	\$14,038,479

Operating Results		FY 1997 Actual Results	FY Actual
Charges:	Total Gross Revenue (G/R)	\$422,341,409	\$412
	Percentage of G/R relating to Inpatient Volume	66.4%	
	Percentage of G/R relating to Government Payers	63.5%	
Managed Care:	Revenue Associated w / Mgd Care Discounts	\$114,189,343	\$98
	Average Managed Care Discount	28%	
Uncompensated Care:	Bad Debt and Free Care	\$19,025,697	\$13
Profitability:	Net Operating Margin	1.9%	
Volume:	Staffed Bed Occupancy	420	
	Average Length of Stay (days)	5.4	
Staffing:	Full Time Equivalents	3244	
Cost Efficiency:	Cost Index Rating	5	
	1 = Most Cost Effective Hospital		
	32 = Least Cost Effective Hospital		

Hospital FY 1997 Activities Approved, Denied or Modified by OHCA

- Approved establishment of an Affiliation Committee with St. Mary's Hospital for further development of an affiliation, identification of potential joint activities, and pursuit of a system partnership.
- Approved establishment of an Affiliation Corporation with St. Francis Hospital and Medical Center and Greater Bristol Health Services Corporation (Bristol Hospital's parent corporation) to develop an integrated health care delivery system. This agreement did not include transfer of ownership or control for either hospital.
- Approved establishment of a joint venture with Charlotte Hungerford Hospital for an ambulatory care and emergency service function in Winsted at no capital cost.
- Approved expansion of Cancer Center programs to include high dose chemotherapy and peripheral stem cell therapy, at no additional cost.
- Denied an application for the Hospital's participation in the establishment of an outpatient surgery center in Avon.
- Denied an application for an outpatient services center in Avon.

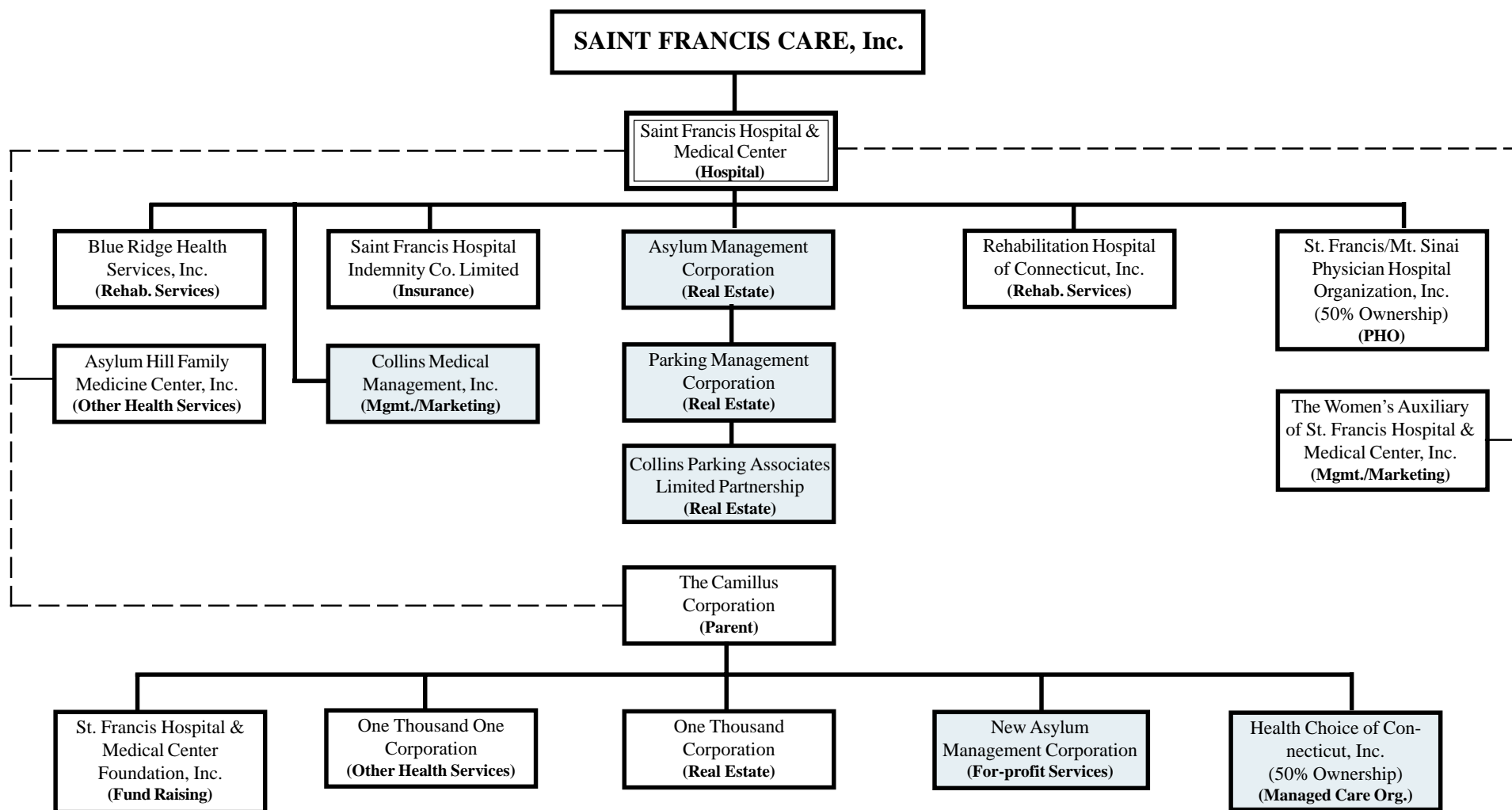
Hospital Affiliate FY 1997 Activities Approved, Denied or Modified by OHCA

- Approved construction of the Burgdorf/Fleet Ambulatory Care Center in Hartford.
- Approved acquisition of the Elmcrest Psychiatric Institute of Portland by BlueRidge Health Services for a cost of \$18 million.

Saint Francis Hospital and Medical Center

CORPORATE ORGANIZATION CHART

Saint Francis Hospital and Medical Center



*Shaded areas represent "FOR-PROFIT" entities

Please note that this organizational chart was compiled using the organizational chart submitted by the hospital in its annual filing to OHCA



ABOUT SAINT JOSEPH MEDICAL CENTER

For the fiscal year ending September 30, 1997 (FY 1997), **Saint Joseph Medical Center**, located in Stamford, staffed 114 of its 285 licensed beds. The town primarily serves the Town of Stamford.

Income Statement

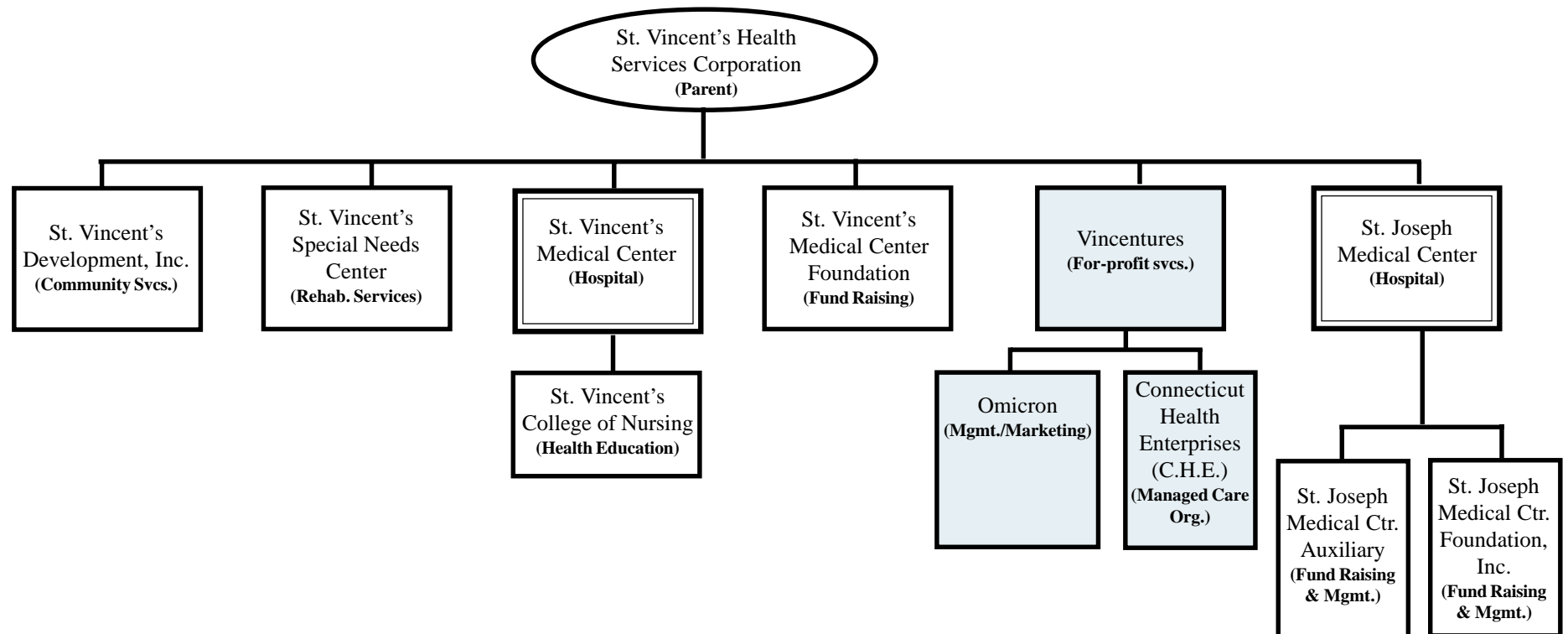
	FY 1997 Actual Results	FY 1996 Actual Results
Net Revenue	\$38,138,671	\$42,653,541
UCP/Tax Adjustments	\$1,282,656	(\$74,982)
Other Operating Revenue	\$0	\$0
Total Operating Expenses	\$48,549,335	\$48,135,425
Gain/(Loss) from Operations	(\$9,128,008)	(\$5,556,866)
Non-Operating Revenue	\$371,520	\$272,215

Operating Results		FY 1997 Actual Results	FY Actual
Charges:	Total Gross Revenue (G/R)	\$71,425,135	\$88
	Percentage of G/R relating to Inpatient Volume	71.7%	
	Percentage of G/R relating to Government Payers	67.5%	
Managed Care:	Revenue Associated w / Mgd Care Discounts	\$14,375,163	\$15
	Average Managed Care Discount	39%	
Uncompensated Care:	Bad Debt and Free Care	\$5,568,785	\$6
Profitability:	Net Operating Margin	-22.9%	
Volume:	Staffed Bed Occupancy	68	
	Average Length of Stay (days)	6.1	
Staffing:	Full Time Equivalents	491	
Cost Efficiency:	Cost Index Rating	12	
	1 = Most Cost Effective Hospital		
	32 = Least Cost Effective Hospital		

Please note that during FY 1998, OHCA approved transfer of St. Joseph Medical Center ownership to St. Vincent's Medical Center and Stamford Hospital at an ownership share of \$6.1 million and \$5.9 million, respectively. the affiliation of the Hospital's parent with Yale-New Haven Health Care Corporation, parent of Yale-New Haven Hospital.

St. Joseph Medical Center

CORPORATE ORGANIZATION CHART* St. Vincent's Medical Center & St. Joseph Medical Center



*Shaded areas represent "FOR-PROFIT" entities

Please note that this organizational chart was compiled using the organizational chart submitted by the hospital in its annual filing to OHCA

ABOUT SAINT MARY'S HOSPITAL

For the fiscal year ending September 30, 1997 (FY 1997), **Saint Mary's Hospital**, located in Waterbury, staffed 238 of its 378 licensed beds. In addition to the Town of Waterbury, the Hospital primarily serves the towns of Naugatuck, Wolcott, Watertown, Prospect and Cheshire.

Income Statement

	FY 1997 Actual Results	FY 1996 Actual Results
Net Revenue	\$105,508,691	\$109,126,362
UCP/Tax Adjustments	\$7,368,355	\$5,450,801
Other Operating Revenue	\$3,998,558	\$2,743,368
Total Operating Expenses	<u>\$106,526,327</u>	<u>\$110,129,172</u>
Gain/(Loss) from Operations	\$10,349,277	\$7,191,359
Non-Operating Revenue	\$24,448,384	\$3,627,394

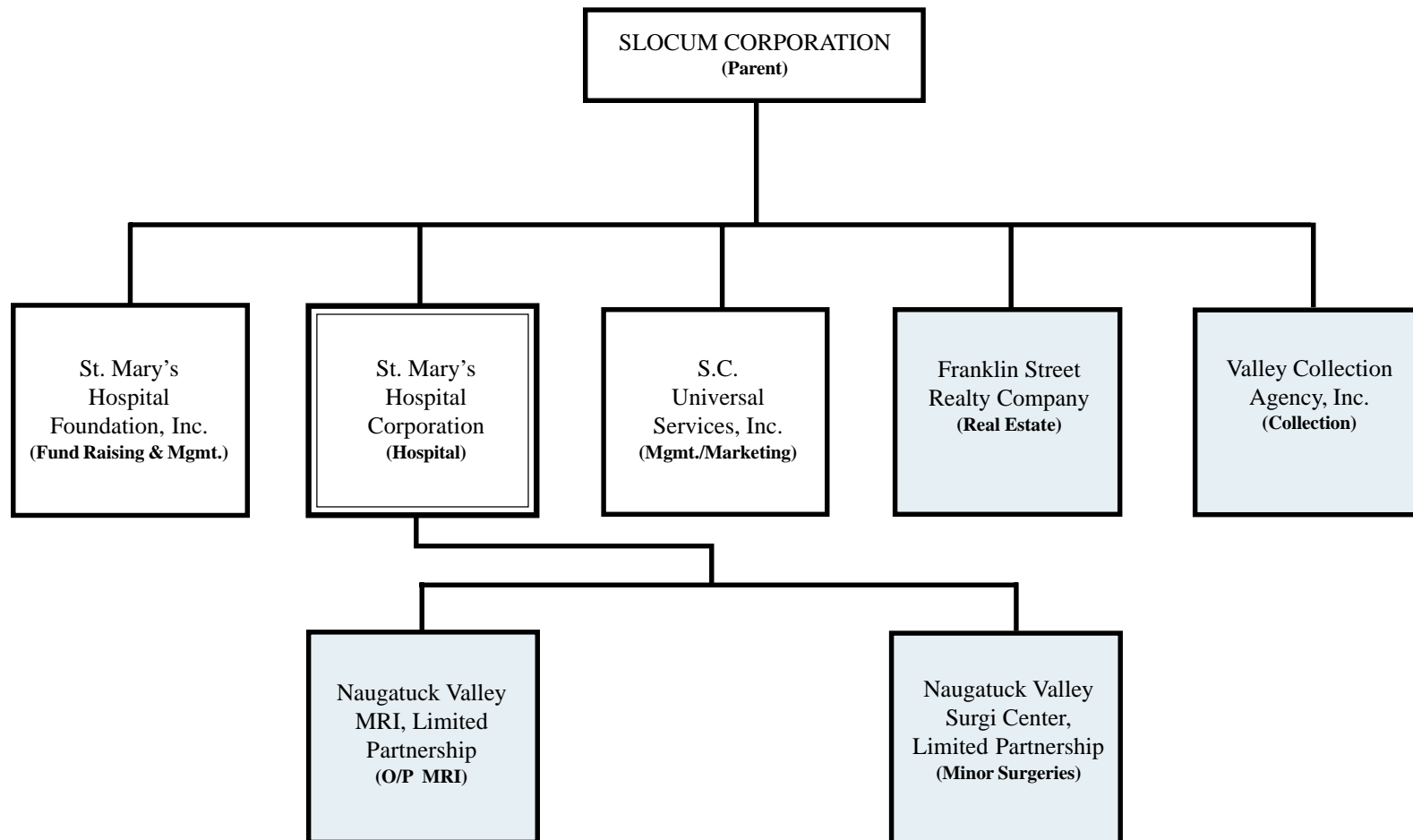
Operating Results		FY 1997 Actual Results	FY Actual
Charges:	Total Gross Revenue (G/R)	\$181,862,486	\$183
	Percentage of G/R relating to Inpatient Volume	60.8%	
	Percentage of G/R relating to Government Payers	64.0%	
Managed Care:	Revenue Associated w/ Mgd Care Discounts	\$48,176,125	\$53
	Average Managed Care Discount	28%	
Uncompensated Care:	Bad Debt and Free Care	\$12,607,828	\$12
Profitability:	Net Operating Margin	7.3%	
Volume:	Staffed Bed Occupancy	133	
	Average Length of Stay (days)	4.4	
Staffing:	Full Time Equivalents	1313	
Cost Efficiency:	Cost Index Rating	3	
	1 = Most Cost Effective Hospital		
	32 = Least Cost Effective Hospital		

Hospital FY 1997 Activities Approved, Denied or Modified by OHCA

- Approved the Hospital's upgrade and replacement of current management information systems at a cost of \$14 million.
- Approved establishment of an Affiliation Committee with St. Francis Hospital and Medical Center for purposes of further development of an affiliation, identification of potential joint activities, and pursuit of a system partnership.
- Approved the Hospital's establishment of Home Care Services.

CORPORATE ORGANIZATION CHART*

St. Mary's Hospital



*Shaded areas represent "FOR-PROFIT" entities

Please note that this organizational chart was compiled using the organizational chart submitted by the hospital in its annual filing to OHCA

ABOUT THE HOSPITAL OF SAINT RAPHAEL

For the fiscal year ending September 30, 1997 (FY 1997), **Hospital of Saint Raphael**, located in New Haven, licensed and staffed all of its 493 beds. In addition to New Haven, the Hospital primarily serves the towns of Hamden, West Haven, East Haven, North Haven and Branford.

Income Statement

	FY 1997 Actual Results	FY 1996 Actual Results
Net Revenue	\$244,173,527	\$246,053,232
UCP/Tax Adjustments	(\$626,021)	(\$4,974,203)
Other Operating Revenue	\$0	\$0
Total Operating Expenses	\$232,369,685	\$233,713,033
Gain/(Loss) from Operations	\$11,177,821	\$7,365,996
Non-Operating Revenue	\$3,705,860	\$1,898,957

Operating Results		FY 1997 Actual Results	FY Actual
Charges:	Total Gross Revenue (G/R)	\$426,079,286	\$412
	Percentage of G/R relating to Inpatient Volume	80.5%	
	Percentage of G/R relating to Government Payers	70.4%	
Managed Care:	Revenue Associated w/ Mgd Care Discounts	\$114,656,083	\$105
	Average Managed Care Discount	27%	
Uncompensated Care:	Bad Debt and Free Care	\$15,250,028	\$17
Profitability:	Net Operating Margin	4.5%	
Volume:	Staffed Bed Occupancy	350	
	Average Length of Stay (days)	6.4	
Staffing:	Full Time Equivalents	2571	
Cost Efficiency:	Cost Index Rating	16	
	1 = Most Cost Effective Hospital		
	32 = Least Cost Effective Hospital		

Hospital FY 1997 Activities Approved, Denied or Modified by OHCA

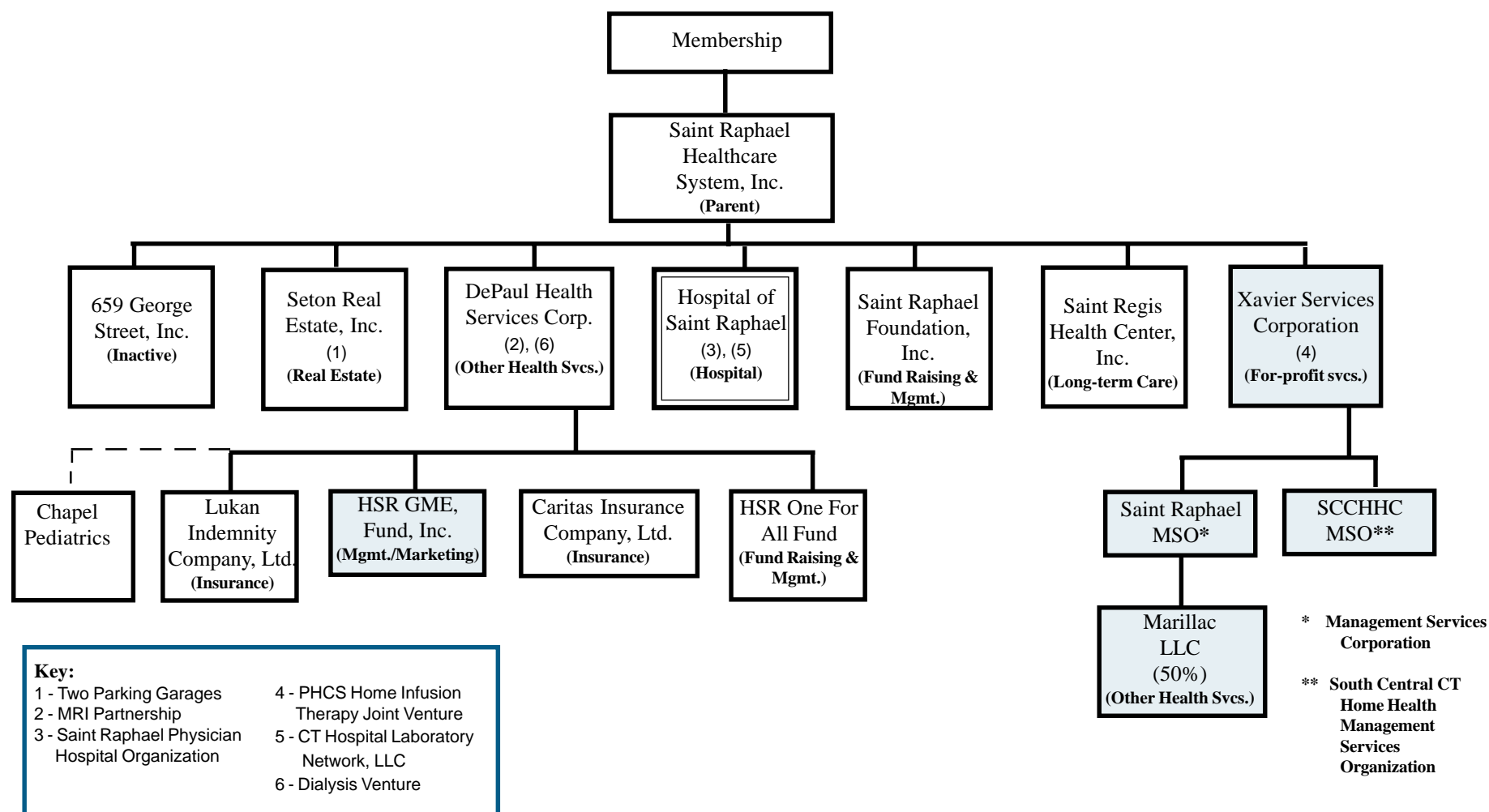
- Approved cost increase of \$3.7 million on a previously approved MIS project.
- Approved replacement of angiography equipment at a cost of \$924,346.
- Approved establishment of a 20 slot children's psychiatric emergency service day hospital at a cost of \$14,270.
- Approved additional financing for ambulatory services construction and renovation.
- Approved establishment of children's psychiatric emergency services.
- Approved the Hospital's proposal to operate a satellite clinical laboratory.

Hospital Affiliate FY 1997 Activities Approved, Denied or Modified by OHCA

Modified a previously approved expansion and renovation project through a reduction in cost of \$1.8 million.

Hospital of Saint Raphael

CORPORATE ORGANIZATION CHART* Saint Raphael Healthcare System



*Shaded areas represent “FOR-PROFIT” entities

Please note that this organizational chart was compiled using the organizational chart submitted by the hospital in its annual filing to OHCA



ABOUT SAINT VINCENT'S MEDICAL CENTER

For the fiscal year ending September 30, 1997 (FY 1997), **Saint Vincent's Medical Center**, located in Bridgeport, staffed 321 of its 423 licensed beds. In addition to Bridgeport, the Hospital primarily serves the towns of Fairfield, Trumbull and Stratford.

Income Statement

	FY 1997 Actual Results	FY 1996 Actual Results
Net Revenue	\$145,436,628	\$146,405,956
UCP/Tax Adjustments	\$1,242,357	(\$3,097,656)
Other Operating Revenue	\$455,915	\$376,845
Total Operating Expenses	\$130,036,641	\$130,114,485
Gain/(Loss) from Operations	\$17,098,259	\$13,570,660
Non-Operating Revenue	\$10,602,188	\$8,795,541

Operating Results		FY 1997 Actual Results	FY Actual
Charges:	Total Gross Revenue (G/R)	\$253,633,982	\$259
	Percentage of G/R relating to Inpatient Volume	77.9%	
	Percentage of G/R relating to Government Payers	65.3%	
Managed Care:	Revenue Associated w / Mgd Care Discounts	\$70,667,405	\$69
	Average Managed Care Discount	30%	
Uncompensated Care:	Bad Debt and Free Care	\$12,615,500	\$10
Profitability:	Net Operating Margin	10.8%	
Volume:	Staffed Bed Occupancy	247	
	Average Length of Stay (days)	5.5	
Staffing:	Full Time Equivalents	1534	
Cost Efficiency:	Cost Index Rating	11	
	1 = Most Cost Effective Hospital		
	32 = Least Cost Effective Hospital		

Hospital FY 1997 Activities Approved, Denied or Modified by OHCA

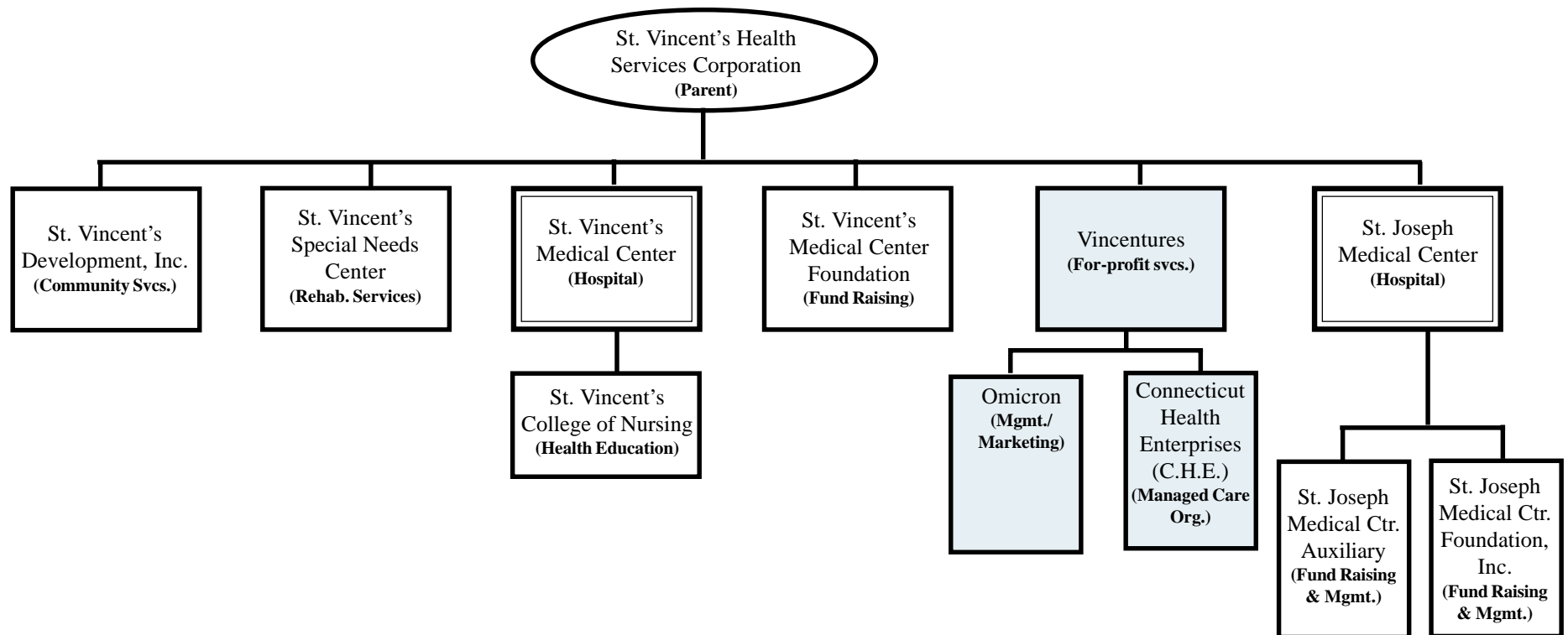
- Approved the Hospital's shared ownership of St. Joseph's Medical Center with Stamford Hospital. Saint Vincent's Medical Center's share of the expenditure is \$6.1 million.
- Approved renovation of the nursing college at a cost of \$2.9 million.
- Approved acquisition of three walk-in medical facilities at a total cost of \$794,187.
- Approved acquisition of a second CT Scanner for \$790,000.
- Approved conversion of the Cardiac Catheterization Laboratory demonstration project to a permanent status.
- Approved relocation of the Hospital's Family Health Center

Hospital Affiliate FY 1997 Activities Approved, Denied or Modified by OHCA

- Approved the Hospital's parent corporation's proposal to finance \$5.6 million for a purchase of land by the Hall-Brooke Foundation in Westport.
- Approved a proposal for St. Vincent's Special Needs Center in Trumbull to purchase a building for \$3.8 million from the parent corporation.

St. Vincent's Medical Center

CORPORATE ORGANIZATION CHART* St. Vincent's Medical Center & St. Joseph Medical Center



*Shaded areas represent "FOR-PROFIT" entities

Please note that this organizational chart was compiled using the organizational chart submitted by the hospital in its annual filing to OHCA



ABOUT SHARON HOSPITAL

For the fiscal year ending September 30, 1997 (FY 1997), **Sharon Hospital**, located in Sharon, staffed 86 of its 108 licensed beds. In addition to the Town of Sharon, the Hospital primarily serves the towns of Salisbury, North Canaan, Kent, Cornwall and Warren.

Income Statement

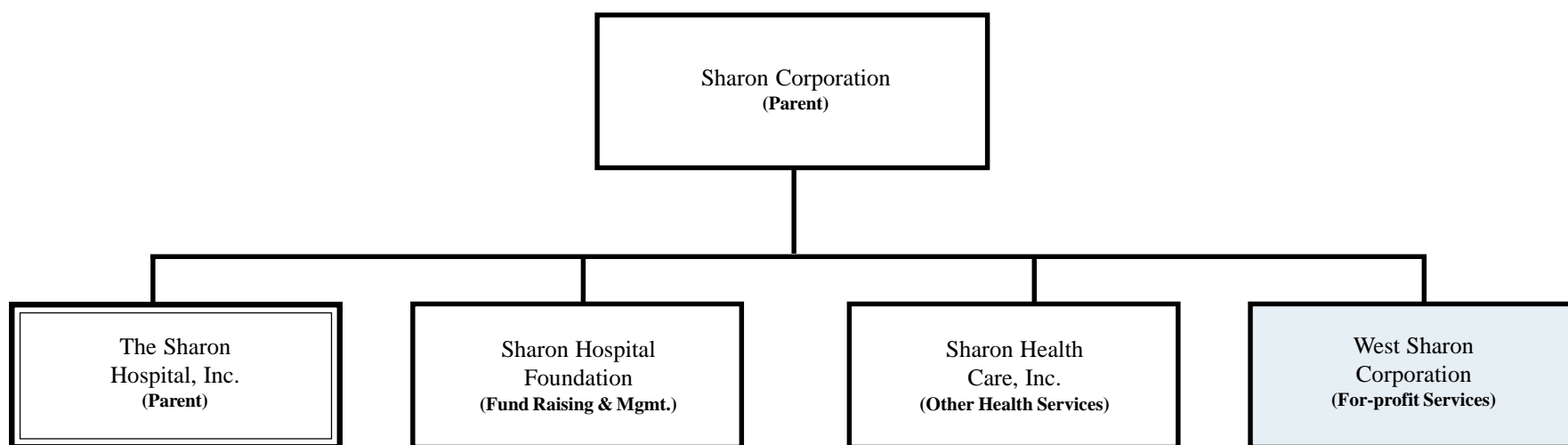
	FY 1997 Actual Results	FY 1996 Actual Results
Net Revenue	\$28,602,725	\$27,959,358
UCP/Tax Adjustments	(\$925,314)	(\$1,501,224)
Other Operating Revenue	\$0	\$0
Total Operating Expenses	<u>\$27,440,408</u>	<u>\$28,011,866</u>
Gain/(Loss) from Operations	\$237,003	(\$1,553,732)
Non-Operating Revenue	\$330,350	\$253,077

	Operating Results	FY 1997 Actual Results	FY Actual
Charges:	Total Gross Revenue (G/R)	\$53,149,583	\$52
	Percentage of G/R relating to Inpatient Volume	66.0%	
	Percentage of G/R relating to Government Payers	59.7%	
Managed Care:	Revenue Associated w / Mgd Care Discounts	\$16,798,183	\$11
	Average Managed Care Discount	32%	
Uncompensated Care:	Bad Debt and Free Care	\$1,615,023	\$1
Profitability:	Net Operating Margin	0.8%	
Volume:	Staffed Bed Occupancy	39	
	Average Length of Stay (days)	4.5	
Staffing:	Full Time Equivalents	344	
Cost Efficiency:	Cost Index Rating	27	
	1 = Most Cost Effective Hospital		
	32 = Least Cost Effective Hospital		

Hospital FY 1997 Activities Approved, Denied or Modified by OHCA

Approved the Hospital's establishment of a Geropsychiatric Care Unit and Partial Hospitalization Program at a cost of approximately \$1 million.

CORPORATE ORGANIZATION CHART*
Sharon Corporation



*Shaded areas represent "FOR-PROFIT" entities

Please note that this organizational chart was compiled using the organizational chart submitted by the hospital in its annual filing to OHCA

ABOUT THE STAMFORD HOSPITAL

For the fiscal year ending September 30, 1997 (FY 1997), **The Stamford Hospital**, located in Stamford, staffed 253 of its 330 licensed beds. In addition to the Town of Stamford, the Hospital primarily serves the towns of Darien and New Canaan.

Income Statement

	FY 1997 Actual Results	FY 1996 Actual Results
Net Revenue	\$113,489,366	\$108,932,252
UCP/Tax Adjustments	(\$229,981)	(\$866,855)
Other Operating Revenue	\$1,027,969	\$965,818
Total Operating Expenses	\$110,862,692	\$104,610,044
Gain/(Loss) from Operations	\$3,424,662	\$4,421,171
Non-Operating Revenue	\$8,377,036	\$1,499,960

		FY 1997 Actual Results	FY Actual
Operating Results			
Charges:	Total Gross Revenue (G/R)	\$196,331,631	\$186
	Percentage of G/R relating to Inpatient Volume	73.0%	
	Percentage of G/R relating to Government Payers	50.2%	
Managed Care:	Revenue Associated w/ Mgd Care Discounts	\$65,155,354	\$51
	Average Managed Care Discount	29%	
Uncompensated Care:	Bad Debt and Free Care	\$15,706,530	\$14
Profitability:	Net Operating Margin	2.8%	
Volume:	Staffed Bed Occupancy	175	
	Average Length of Stay (days)	4.9	
Staffing:	Full Time Equivalents	1125	
Cost Efficiency:	Cost Index Rating	19	
	1 = Most Cost Effective Hospital		
	32 = Least Cost Effective Hospital		

Hospital FY 1997 Activities Approved, Denied or Modified by OHCA

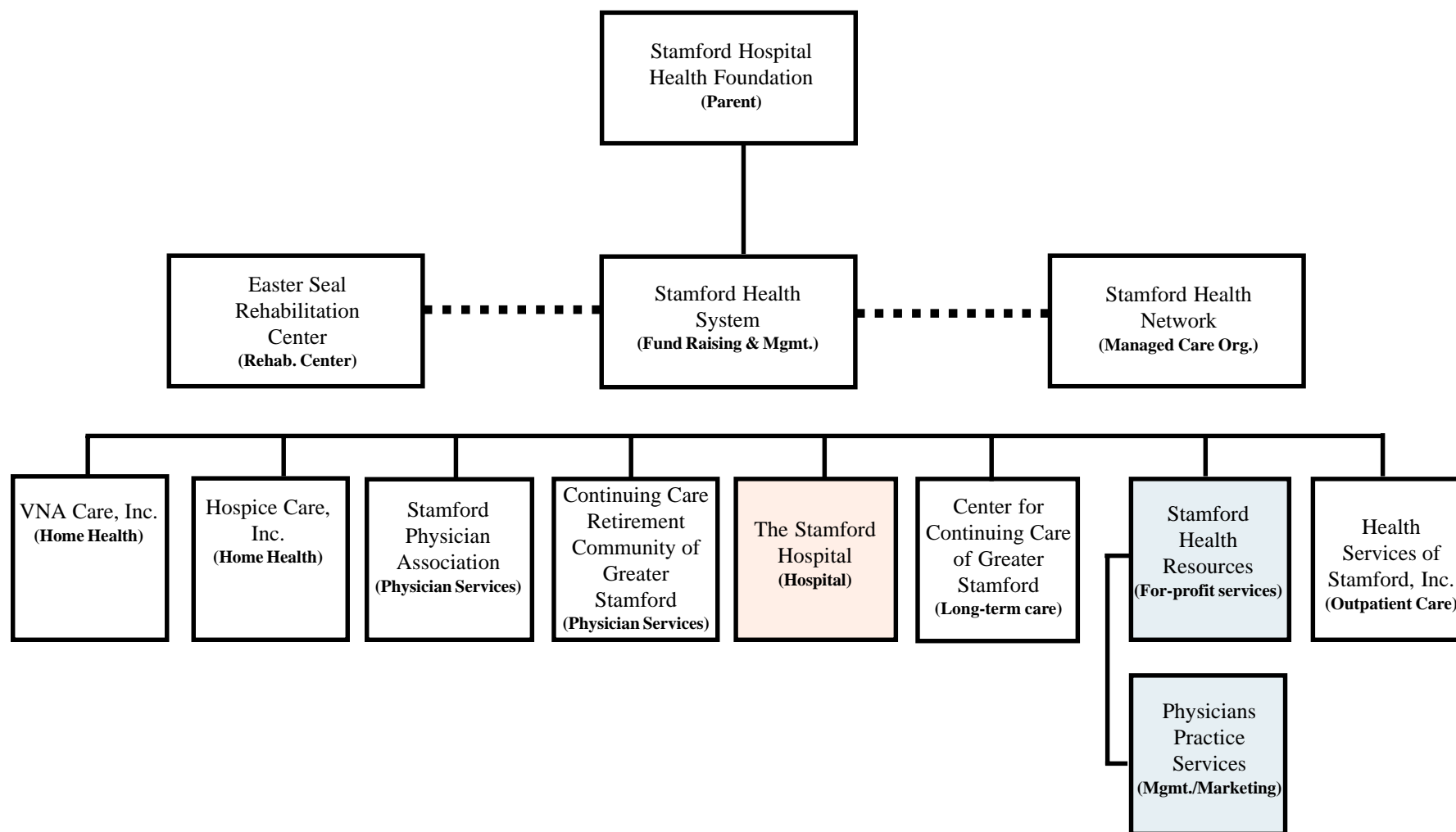
- Modified the previously approved replacement of the Hospital's power plant through the transfer of ownership of the power plant from the Hospital parent corporation to the Hospital, at no additional cost.
- Approved the Hospital's shared ownership of St. Joseph's Medical Center with St. Vincent's Medical Center of Bridgeport. The Hospital's share of the expenditures is \$5.9 million.

Hospital Affiliate FY 1997 Activities Approved, Denied or Modified by OHCA

- Approved establishment of an imaging center in Darien for \$1.5 million by the Health Services of Stamford (ambulatory service affiliate).
- Approved a proposal by the Center for Continuing Care of Greater Stamford (long term care affiliate) to acquire full ownership of a Continuing Care Retirement Community from Marriott Corporation and to add an Assisted Living Service Agency at that location – for a total capital expenditure of \$83 million.
- Approved Stamford Health Services, Inc. to acquire a limited interest in the Stamford Surgery Center for under \$1 million.

The Stamford Hospital

CORPORATE ORGANIZATION CHART* Stamford Hospital Health Foundation



*Blue shaded areas represent "FOR-PROFIT" entities

Please note that this organizational chart was compiled using the organizational chart submitted by the hospital in its annual filing to OHCA



ABOUT VETERANS MEMORIAL MEDICAL CENTER

For the fiscal year ending September 30, 1997 (FY 1997), **Veterans Memorial Medical Center**, located in Meriden, staffed 110 of its 132 licensed beds. In addition to the Town of Meriden, the Hospital primarily serves the towns of Wallingford, Cheshire, Southington and North Haven.

Income Statement

	FY 1997 Actual Results	FY 1996 Actual Results
Net Revenue	\$92,767,643	\$92,416,350
UCP/Tax Adjustments	(\$1,037)	(\$282,240)
Other Operating Revenue	\$0	\$0
Total Operating Expenses	<u>\$89,230,497</u>	<u>\$88,104,972</u>
Gain/(Loss) from Operations	\$3,536,109	\$4,029,138
Non-Operating Revenue	\$2,000,541	\$1,976,385

	Operating Results	FY 1997 Actual Results	FY Actual
Charges:	Total Gross Revenue (G/R)	\$136,965,027	\$137
	Percentage of G/R relating to Inpatient Volume	51.0%	
	Percentage of G/R relating to Government Payers	56.9%	
Managed Care:	Revenue Associated w/ Mgd Care Discounts	\$59,062,770	\$56
	Average Managed Care Discount	11%	
Uncompensated Care:	Bad Debt and Free Care	\$5,281,179	\$5
Profitability:	Net Operating Margin	3.7%	
Volume:	Staffed Bed Occupancy	93	
	Average Length of Stay (days)	4.1	
Staffing:	Full Time Equivalents	1073	
Cost Efficiency:	Cost Index Rating	24	
	1 = Most Cost Effective Hospital		
	32 = Least Cost Effective Hospital		

Hospital FY 1997 Activities Approved, Denied or Modified by OHCA

- Approved expansion of the respite care program at a cost of \$49,650.
- Approved relocation of previously authorized MRI equipment.

Hospital Affiliate FY 1997 Activities Approved, Denied or Modified by OHCA

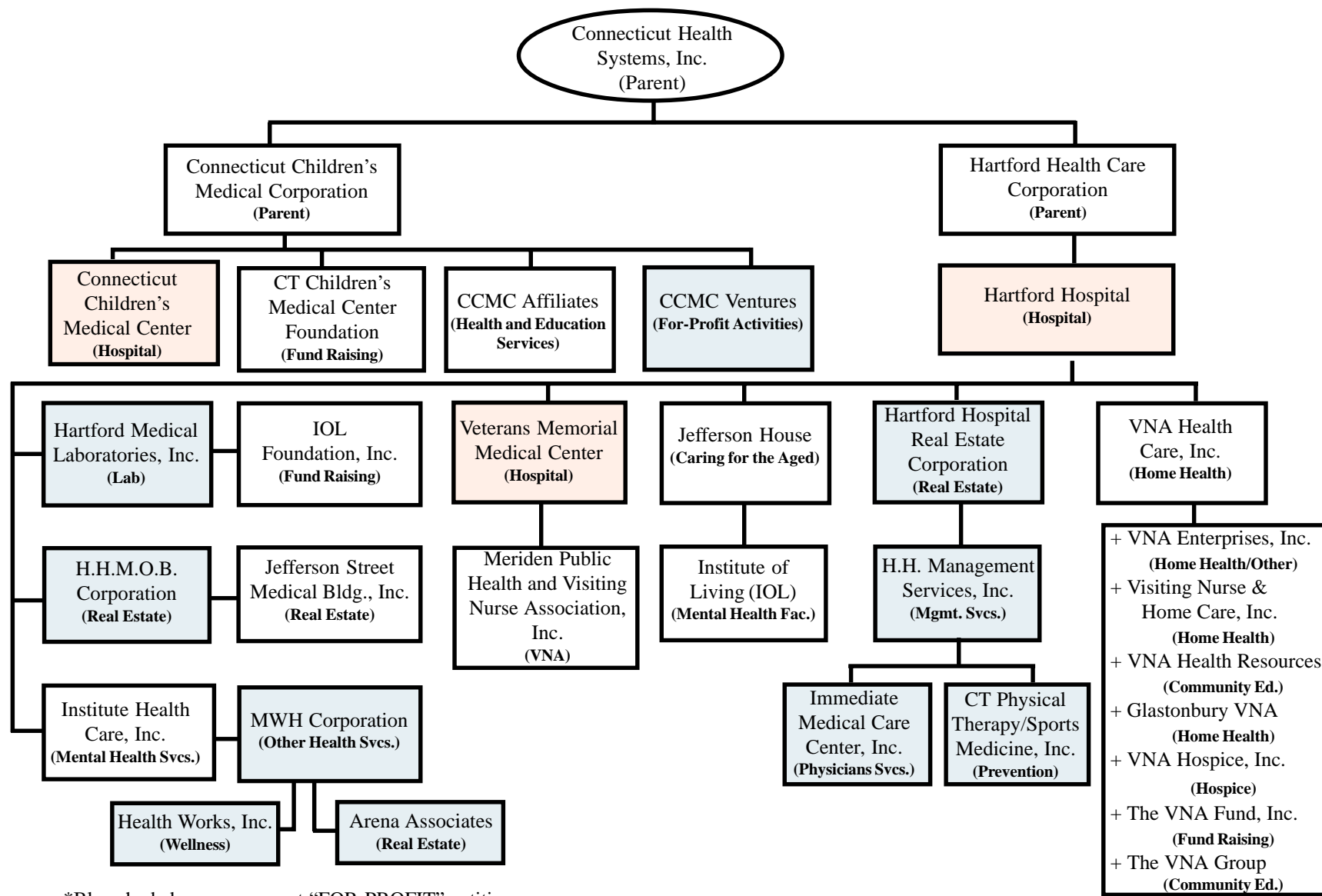
Approved the acquisition by MWH Corporation of a physician office building at a cost of \$2 million.

Note: On September 29, 1998, Veterans Memorial Medical Center became MidState Medical Center and relocated to a newly constructed facility in Meriden.

Veterans Memorial Medical Center

CORPORATE ORGANIZATION CHART*

Hartford Hospital, Connecticut Children's Medical Center & Veterans Memorial Medical Center



*Blue shaded areas represent "FOR-PROFIT" entities

Please note that this organizational chart was compiled using the organizational chart submitted by the hospital in its annual filing to OHCA

ABOUT THE WATERBURY HOSPITAL

For the fiscal year ending September 30, 1997 (FY 1997), **The Waterbury Hospital**, located in Waterbury, staffed 260 of its 403 licensed beds. In addition to the Town of Waterbury, the Hospital primarily serves the towns of Naugatuck, Watertown, Southbury, Woodbury, Wolcott and Middlebury.

Income Statement

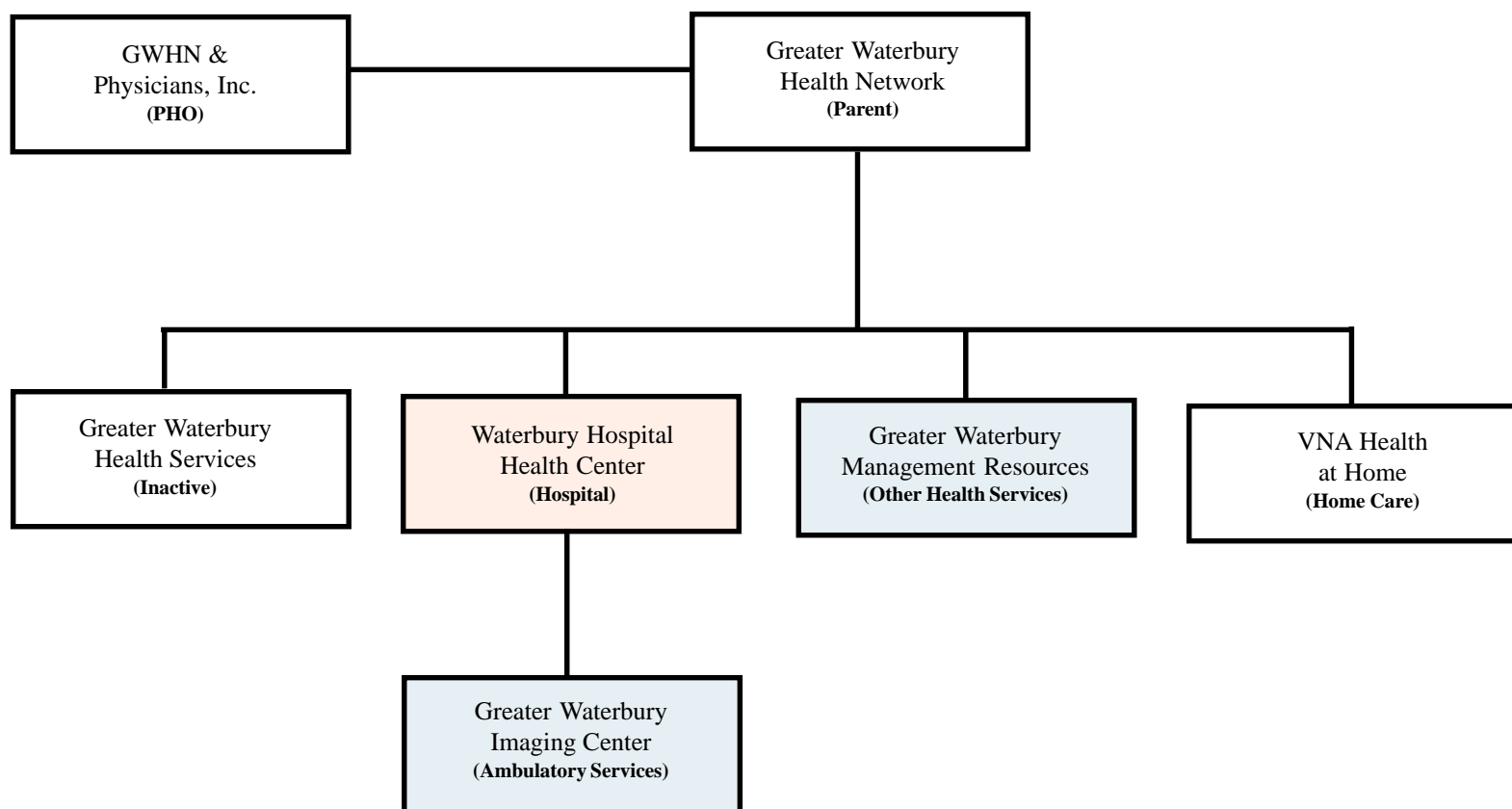
	FY 1997 Actual Results	FY 1996 Actual Results
Net Revenue	\$129,579,496	\$125,903,316
UCP/Tax Adjustments	(\$470,525)	(\$2,164,549)
Other Operating Revenue	\$3,299,050	\$3,505,689
Total Operating Expenses	<u>\$126,478,109</u>	<u>\$121,268,058</u>
Gain/(Loss) from Operations	\$5,929,912	\$5,976,398
Non-Operating Revenue	\$2,231,626	\$2,320,159

Operating Results		FY 1997 Actual Results	FY Actual
Charges:	Total Gross Revenue (G/R)	\$231,447,623	\$214
	Percentage of G/R relating to Inpatient Volume	66.6%	
	Percentage of G/R relating to Government Payers	63.7%	
Managed Care:	Revenue Associated w / Mgd Care Discounts	\$61,784,484	\$71
	Average Managed Care Discount	42%	
Uncompensated Care:	Bad Debt and Free Care	\$8,553,138	\$9
Profitability:	Net Operating Margin	4.4%	
Volume:	Staffed Bed Occupancy	184	
	Average Length of Stay (days)	5.0	
Staffing:	Full Time Equivalents	1451	
Cost Efficiency:	Cost Index Rating	8	
	1 = Most Cost Effective Hospital		
	32 = Least Cost Effective Hospital		

Hospital FY 1997 Activities Approved, Denied or Modified by OHCA

Approved the replacement of the Hospital's management information system at a cost of \$11.5 million.

CORPORATE ORGANIZATION CHART*
Greater Waterbury Health Network



*Blue shaded areas represent “FOR-PROFIT” entities

Please note that this organizational chart was compiled using the organizational chart submitted by the hospital in its annual filing to OHCA

ABOUT WINDHAM COMMUNITY MEMORIAL HOSPITAL

For the fiscal year ending September 30, 1997 (FY 1997), **Windham Community Memorial Hospital**, located in Willimantic (Windham), staffed 94 of its 130 licensed beds. In addition to the Town of Windham, the Hospital primarily serves the towns of Mansfield, Coventry, Lebanon, Columbia and Hampton.

Income Statement

	FY 1997 Actual Results	FY 1996 Actual Results
Net Revenue	\$46,476,204	\$46,966,606
UCP/Tax Adjustments	\$60,827	(\$1,990,069)
Other Operating Revenue	\$858,185	\$108,808
Total Operating Expenses	\$46,097,779	\$43,180,846
Gain/(Loss) from Operations	\$1,297,437	\$1,904,499
Non-Operating Revenue	(\$50,776)	\$1,078,080

Operating Results		FY 1997 Actual Results	FY Actual
Charges:	Total Gross Revenue (G/R)	\$88,355,716	\$83
	Percentage of G/R relating to Inpatient Volume	56.8%	
	Percentage of G/R relating to Government Payers	60.5%	
Managed Care:	Revenue Associated w / Mgd Care Discounts	\$20,691,285	\$20
	Average Managed Care Discount	48%	
Uncompensated Care:	Bad Debt and Free Care	\$2,996,470	\$2
Profitability:	Net Operating Margin	2.7%	
Volume:	Staffed Bed Occupancy	54	
	Average Length of Stay (days)	4.2	
Staffing:	Full Time Equivalents	497	
Cost Efficiency:	Cost Index Rating	23	
	1 = Most Cost Effective Hospital		
	32 = Least Cost Effective Hospital		

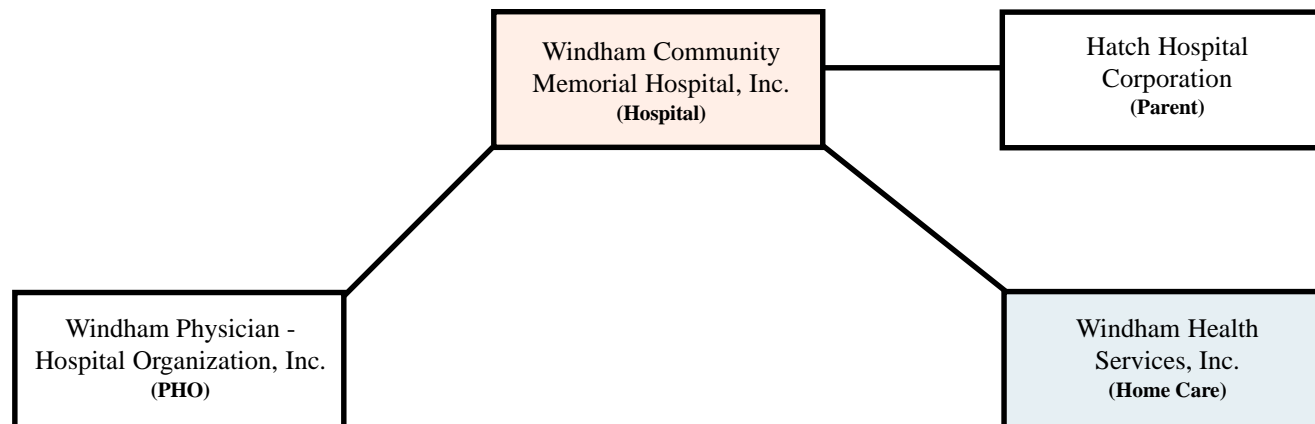
Hospital FY 1997 Activities Approved, Denied or Modified by OHCA

- Approved relocation of the mammography center.
- Approved establishment and operation of an outpatient physical therapy clinic on the University of Connecticut campus at Storrs.

Windham Community Memorial Hospital

CORPORATE ORGANIZATION CHART

Windham Community Memorial Hospital



*Blue shaded areas represent "FOR-PROFIT" entities

Please note that this organizational chart was compiled using the organizational chart submitted by the hospital in its annual filing to OHCA



ABOUT YALE-NEW HAVEN HOSPITAL

For the fiscal year ending September 30, 1997 (FY 1997), **Yale-New Haven Hospital**, located in New Haven, staffed 810 of its 900 licensed beds. In addition to serving as a community hospital for residents of the Greater New Haven area, the Hospital is a statewide referral site for the provision of tertiary services.

Income Statement

	FY 1997 Actual Results	FY 1996 Actual Results
Net Revenue	\$445,018,000	\$444,271,000
UCP/Tax Adjustments	\$616,776	(\$3,341,164)
Other Operating Revenue	\$1,422,587	\$783,076
Total Operating Expenses	\$432,784,772	\$422,166,427
Gain/(Loss) from Operations	\$14,272,591	\$19,546,485
Non-Operating Revenue	\$12,214,388	\$12,035,714

Operating Results		FY 1997 Actual Results	FY Actual
Charges:	Total Gross Revenue (G/R)	\$729,236,000	\$715
	Percentage of G/R relating to Inpatient Volume	81.7%	
	Percentage of G/R relating to Government Payers	51.8%	
Managed Care:	Revenue Associated w / Mgd Care Discounts	\$314,377,971	\$297
	Average Managed Care Discount	25%	
Uncompensated Care:	Bad Debt and Free Care	\$27,107,000	\$25
Profitability:	Net Operating Margin	3.1%	
Volume:	Staffed Bed Occupancy	588	
	Average Length of Stay (days)	5.2	
Staffing:	Full Time Equivalents	4859	
Cost Efficiency:	Cost Index Rating	22	
	1 = Most Cost Effective Hospital		
	32 = Least Cost Effective Hospital		

Hospital FY 1997 Activities Approved, Denied or Modified by OHCA

- Approved establishment of a third cardiac catheterization laboratory at a cost of \$3.5 million.
- Approved renovations and relocation of neuroangiography services at a cost of \$2.3 million.
- Approved operation of two school-based clinics.
- Approved establishment of a mobile mammography van.
- Approved a change in burn services delivery with Bridgeport Hospital at no additional cost.

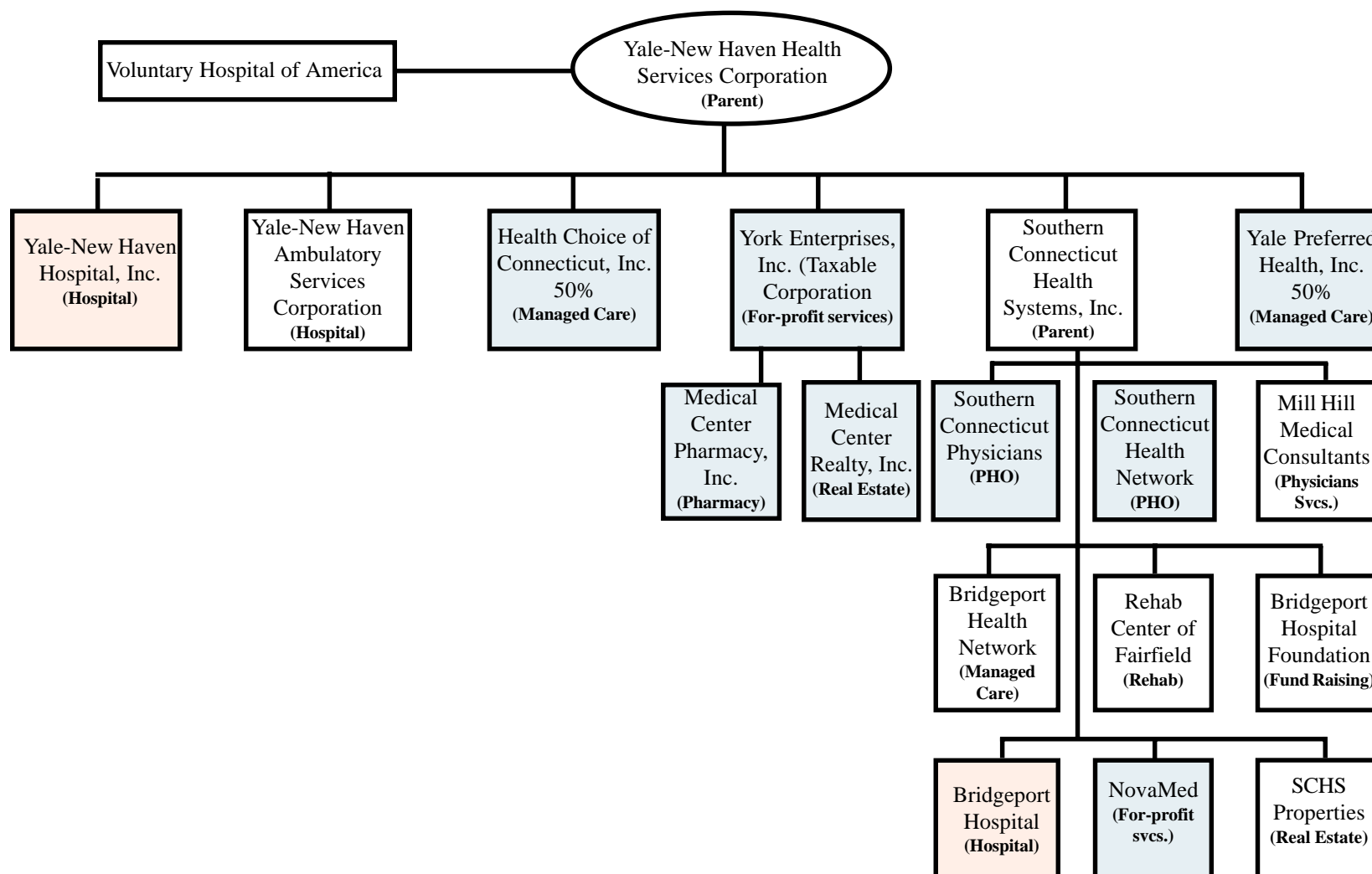
Hospital Affiliate FY 1997 Activities Approved, Denied or Modified by OHCA

Approved Management Information Systems (MIS) upgrade project for system providers, including Bridgeport Hospital, at a capital cost of \$48 million.

Yale-New Haven Hospital

CORPORATE ORGANIZATION CHART*

Yale-New Haven Hospital & Bridgeport Hospital



*Blue shaded areas represent "FOR-PROFIT" entities

Please note that this organizational chart was compiled using the organizational chart submitted by the hospital in its annual filing to OHCA



Publications Available from the Office of Health Care Access

The following materials are available from the Office of Health Care Access. There is no charge for the first copy of any report; additional copies are available at \$0.25 per page. Please call Pat Ferreira at (860) 418-7001 to request any OHCA materials. Many are also available on our agency website at <http://www.state.ct.us/ohca>

OHCA Issues Briefs:

- Mastectomies in Connecticut, June 1997
- Asthma: A Growing Health Concern in Connecticut, November 1997
- Report on the Status of Lead Poisoning in Connecticut, March, 1998

Report on Connecticut's Insured and Uninsured, April 1998

Charges and Utilization for Connecticut Acute Care Hospitals, May 1997

Reports on the Financial Stability of Connecticut's Short-Term Acute Care General Hospitals in a Competitive Market

- First Report— December 1995
- Second Annual Report — October 1996
- Third Annual Report — December 1997
- Fourth Annual Report — December 1998

OHCA Annual Reports to the Governor and the General Assembly

- 1997 Report, February 1998
- 1996 Report, March 1997

Consumer Brochure: A Guide to Paying Your Hospital Bill (Also available in Spanish)

Active Letters of Intent Status Reports & Certificates of Need Progress Reports

